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# Sub-Saharan Africa Report

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15 February 1984

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BRIEFS

MIGRATORY FLOW--Contrary to widespread belief, the major migratory flow in Africa is from one rural area to another, not rural-to-urban, Dr Aderanti Adepoju of Nigeria said in a paper at the second African conference on population in Arusha, Tanzania. Dr Adepoju said that there was evidence from studies in Ghana, Tanzania, Nigeria and Cameroun that proved this. "Where there is marked rural-to-urban migration, as in Southern Africa, there is evidence that the resulting reduced pressure on land has led to more rational and intensive land use," Dr Adepoju added. The five-day conference is to draft a plan of action for the world population conference in Mexico City in August on integrated rural development and population policy, population distribution and resettlement programmes, and urbanisation. [Text] [Enugu DAILY STAR in English 17 Jan 84 p 2]

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ANGOLA

OFFICIAL ON POLITICAL, MILITARY SITUATION IN BOCOIO, BENGUELA

Luanda JORNAL DE ANGOLA in Portuguese 11 Jan 84 p 3

[Interview with the municipal commissioner of Bocoio, Manuel Lourenco "Kapapala"; in Bocoio, date not given]

[Text] During our stay in Bocoio, we had an interview with Manuel Lourenco "Kapapala," coordinator of the municipal committee of the MPLA-Workers Party and municipal commissioner, the highlights of which we are publishing:

[Question] Comrade Commissioner, how would you describe the political-military situation of your municipality at this time?

[Answer] We consider the situation perfectly normal. Since the municipality was attacked and because there was a strong and speedy counter-response by our forces, the actions of the enemy have become almost negligible. We have recorded only some actions of intimidation against the population: the setting of booby-traps with explosive devices in the roads that lead to the work places and villages.

At the same time, I must say that our troops have not let up for an instant. We have carried out a number of operations against the bandits who are still remaining. I should also like to stress that very high morale exists among our troops. Our municipal batallion, the "Mountain Tigers," whose motto is "Courage, Boldness and Combativeness," has distinguished itself in the operations we have carried out, noteworthy among which was the dismantling of the bandits' so-called "Region 50." Of course, there is a systematic monitoring by those in charge which favors the constant raising of the soldiers' fighting morale.

In short, we can say that the political-military situation has been the principal concern of the party and government.

[Question] Your appointment to Bocoio represented a measure by the Benguela Provincial Committee of the MPLA-Workers Party aimed at giving new life to the municipality. Now that a year has passed, do you believe that the objective has been achieved?

[Answer] We have been here since December 1982 by decision of the CPP, in fact, to facilitate a better monitoring of the municipality.

First, however, I must say that in the period prior to that date, the municipality was stagnating, which favored the action of the enemy. That is why the party leadership decided to select a member of the Provincial Committee for Bocoio. Since we have been at the head of the municipality, we have been able to note some successes in the political-military, economic and social life of the municipality. The party and government have devoted considerable attention to the development of Bocoio. The raising of awareness of the population has been done systematically through periodic visits to all communes and settlements. We have also on all occasions denounced the subversive actions and atrocities which the bandits commit against the defenseless population. At the same time, we have been able to imbue all sectors with dynamism. We have established strict control and have indicated concrete guidelines for the government units and organs, as executors of party policy. And from what we have ascertained, we can state that the population of Bocoio unreservedly supports the MPLA-Workers Party and Comrade President Jose Eduardo dos Santos.

[Question] How do you view the municipality's agricultural problem?

[Answer] In the past, the municipality of Bocoio has not been an area with great agricultural potential due to the low rainfall rate in the region. After properly studying the situation we decided upon agriculture by the irrigation system. However, there are still obstacles. It is with great regret that we sometimes see many hectares of land prepared and we do not have the seed or the means to plant. We need more means, implements, tractors, etc. There are promises of greater support by the provincial organs of the Ministry of Agriculture. We believe the situation is going to improve this year because it now rains regularly here.

Another problem that has negatively influenced agriculture is the lack of goods, principally industrial goods, to encourage individual farmers to increase their production rates. I must say also that it is this problem of the lack of goods that prevents the consolidation of the cooperative movement in the municipality. For example, in the commune of Monte Belo, which is the main agricultural region, there are five cooperatives and 15 farmers' associations. These institutions should be supplied directly by domestic trade, which in fact does not happen. At the same time, the People's Stores do not supply the cooperative members because they should have their own supply. This problem of lack of definition concerns us greatly and we have already given it serious consideration, we are going to take some measures because if things should continue in that fashion we tend to believe that many cooperative members will become discouraged. That is bad because the cooperative is formed to resolve the farmers' problems and not to complicate them. Nevertheless, we have continued with our task of raising the awareness of the farmers with a view to joining the cooperatives and associations. Up to this time, 20 associations and five cooperatives have been formed.

[Question] In the past, Bocoio was a great sisal-growing area. What is the situation of that crop at this time?

[Answer] The sisal problem is very complex. We intend very shortly to give significant impetus to sisal-growing. We have already recovered some units and we are thinking of starting off very shortly.

[Question] How do you summarize the attack of the bandits against the municipal headquarters?

[Answer] On 21 August 1983, the headquarters of the municipality of Bocoio was the target of a criminal action by the enemy, whose ranks included a large number of white mercenaries, who were seen by the population. Already on 3 August, the enemy had been repulsed in the communes of Chila and Cubal do Lumbo. We consider that action by the enemy to stem from the desperation in which they find themselves, to try to gain an image they really do not have and could never have. I should like to point out that this action followed the attack on the town of Cangamba in Moxico where they were shamefully defeated by the FAPLA.

During the attack, there was fierce resistance by our populations. The bandits murdered several people, burned warehouses of staple goods, destroyed vehicles that supported the minicipality's daily activities, looted homes and seized several head of cattle and sheep. All those actions were strongly repudiated and condemned by the population.

But I can tell you as of now that the situation has returned to normal. The people immediately resumed their normal activities.

[Question] Now that the Regional Military Councils (CMR) have been created and the new municipal leadership of the party arising from the municipal conference of members been formed, how do you view the future situation?

[Answer] The creation of the Regional Military Councils had a quite positive repercussion on preparing conditions for us to really fight and annihilate the enemy. Since Comrade Kundi Payama, alternate member of the Political Bureau of the MPLA-Workers Party assumed the chairmanship of the Military Council of the 7th Region, in which we are included, it has developed greater combativeness against the enemy. There is a greater sense of responsibility on the part of the leaders at all levels. There has also been moral and material support for our fighters.

As for the new party leadership, it is comprised of comrades who have already given proof of their dynamism and unselfishness to the cause of our people. And I want to assure you that that leadership will do everything in its power to see that all of the problems of our municipality are resolved.

Finally, I would like to thank the reporters of ANGOP for their visit to our heroic municipality. And through you, I want to issue an appeal to all of the Angolan people to continue the fight against our enemies with greater vigor. I also appeal to the organs whose institutions are represented in the municipality for greater help and greater support to make possible the harmonious development of Bocoio.

BURUNDI

ASSEMBLY DEBATES 1984 BUDGET, ECONOMIC SITUATION

Bujumbura LE RENOUVEAU DU BURUNDI in French 7 Dec 83 pp 1-2, 5, 6

[Speech by Edouard Kadigiri, minister of finance, to the National Assembly to present the operating budget]

[Text] After a 2-week break, the people's representatives reconvened to continue the third ordinary session of the National Assembly and they began to work on the most important item, the general state budget for 1984.

The minister of finance, Edouard Kadigiri, took the podium of the Assembly to comment on and defend the appropriation bill for the ways and means budget, also called the ordinary budget or the operating budget.

This budget is characterized by its "realism and increased austerity" in a difficult national and international economic environment. This budget was drawn up after our currency was devalued by 30 percent, separated from the U.S. dollar and pegged to the SDR [Special Drawing Right].

The new ways and means budget, which increased from 15.1 to 17.3 billion Burundian francs compared to 1983, has a deficit of 2.2 billion, primarily due to "the increase in the service of the public debt, the settlement of unpaid debts from prior fiscal years and, to a lesser degree, to the salary increases for civil servants."

One of the austerity measures that should be noted is the elimination of government subsidies to communities, which now must use their imaginations to raise cash.

Because of his interesting analysis, we are publishing the entire speech of the minister of finance, who first reminded the people's representatives that this is the second time during this legislative period that they have had to examine the state budget.

Mr President:

In your opening speech for the present session you said something that I would like to borrow and use myself. I quote: "The budget will be voted on at a time when the worldwide economic crisis is having a negative impact on our country's economy.

We are, therefore, faced with restrictions of all sorts, whether it is in the management of daily operating credits or in procuring funds for development." With that as a start, Mr President, you requested the members of the Assembly to attentively analyze the 1984 appropriation bills while keeping in mind that our economic situation is not good.

In our country, we long ago decided to divide the general state budget into an ordinary budget and an investment budget, each of which is covered in a separate appropriation bill.

That is why, in conformance with government tradition, the operating budget will be defended by the minister of finance and the investment budget will be presented by the minister to the presidency in charge of the plan. However, before beginning a detailed discussion of the budget, I think it would be useful to first briefly describe the economic and financial situation Burundi has been in the past 3 years. Referring precisely to the worldwide recession and prospects for recovery during the past 3 years, the World Bank's "Report on Development in the World, 1983" states what follows and I quote: "For 3 years the recession--the worst since the Great Depression--has halted development. Although population continued to increase, production and trade stood still, unemployment grew and a large portion of industrial capacity went unused. In some countries, especially in Africa and Latin America, the standard of living declined.

"At the beginning of 1983 the world economy finally began to pull out of this economic crisis, which has lasted longer than was foreseen even 1 year earlier. But the recovery is still uncertain. Many of the countries which contracted heavy debts during the seventies are facing a serious crisis in liquidities because of persistent high interest rates and a standstill in their income from exports. Low income countries with economies based on production of raw materials were strongly affected, since the price of basic products has never been so low."

Mr President:

The reason I repeated this long quotation is because it applies to the situation in our country, which is categorized as one of the poorest in the world or the "least advanced," to use a phrase now well established by international organizations. Because Burundi's economy is based primarily on agriculture, with coffee being the primary cash resource at present and probably for a long time to come, the poor international economic situation has had a very harmful impact on the economic and financial situation of the country throughout the past 3 years.

The decline in prices of export products, primarily coffee, when added to a sizable drop in production in 1982, dealt a hard blow to the country's economic growth. The GDP rate of growth in real terms during these 3 years was barely higher than the increase in population (3.3 percent compared to 2.7 percent). The modest achievements of our economy in the agricultural sector are a result of uncontrollable variables, such as climate; in the industrial sector, of the small size of the local market; and in the service sector, of inadequate organization and competitiveness.

Despite this, the country continues to experience a strong demand for consumption and investment, especially in the public sector. This is one of the major reasons why government finances are becoming larger and larger and are causing serious imbalances, despite several budget reduction measures that were taken.

In addition, for several years our country has been faced with pressures on its balance of payments despite increasing use of external financing and restrictive measures on imports. During the year now ending, foreign currency reserves declined dangerously.

It was, therefore, necessary to implement policies to correct these imbalances. The dual decision to devalue the Burundian franc by 30 percent and to tie it to the SDR instead of the U.S. dollar must be seen in this light.

#### Devaluation and Pegging the Franc to the SDR

Between 1980 and September 1983 the Burundian franc appreciated in comparison to the currencies of the major countries from which Burundi bought most of its imports. This appreciation was nominally 90 percent in relation to the French franc, 84 percent for the Belgian franc, 49 percent for the German mark and 7 percent for the Japanese yen. As a result it became obvious that the exchange rate of the Burundian franc was not equivalent to the budget and the balance of payments. Our franc was profiting from an artificial appreciation because of its link with the dollar.

This unconditional linking of our currency to another country's undermines national sovereignty by putting the country in a position of economic dependence. In addition, since the not very realistic exchange rate made imports more attractive and expansionist financial policies tended to encourage rapid growth in domestic demand for imports, the government arrived at the conclusion that, in the end, the Treasury was subsidizing the local consumer.

The amount the Treasury had to make up on import duties was about equal to the export duties on coffee, estimated at about 1.5 billion Burundian francs, which had been dropped in 1981.

In addition, we are convinced that the fact that the Burundian franc was pegged only to the U.S. dollar caused many problems for Burundi's economy. As an example, in 1978 1 Belgian franc equalled over 3 Burundian francs, but before the decision of 22 November 1983 it was worth only 1.7 Burundian francs. The quotation of the Burundian franc was based on the position of the dollar in relation to the major currencies--simply an arithmetic calculation. If, for reasons specific to the Burundian economy, the country decided to modify the exchange rate while remaining pegged to the dollar with a fixed parity, the effects expected from such a decision could be wiped out by a reversal in the American economy and/or its policies without there being any direct link with the actual situation of our own economy.

The state, as a sovereign nation, could have been able to decide on a parity of the Burundian franc, but that could have been overshadowed by the change in the dollar in relation to European and Japanese currencies. Unlike the CFA

franc, which is part of the franc zone and is supported by the French franc, the Burundian franc is not part of the dollar zone. Because of this, it is to our advantage to express the value of our franc in relation to a group of currencies such as the SDR so that, to a certain extent, it is protected and sheltered from the ups and downs and the behavior of a single currency in an interdependent worldwide economy. Removing our currency from the dollar standard in no way means we are breaking any economic agreement with the United States.

Our country is also dropping this fixed parity of the Burundian franc to the dollar for psychological reasons, namely to avoid the malicious and destabilizing criticism of representatives of international cooperation organizations in Burundi who, each time the dollar rises, cry for devaluation because their income, expressed in Burundian francs, is hurt by the loss in exchange rates even though as a whole the Burundian economy has no reason to change.

After making the adjustment I just outlined, the government will continue to study and implement additional measures in order to balance both the budget and the balance of payments. The deficit for the 1984 operating budget, which otherwise would have been 5 billion, has already been reduced considerably.

In addition, the decline in the strong demand for imported goods following this adjustment will help our industrial and agricultural products and thereby help the national economy recover.

#### The Spirit of the 1984 Budget

After having succinctly described the economic and financial position of the country the past few years, the time has come to explain how the approved 1983 ordinary budget, which will come to a close in less than 1 month, was carried out and in what atmosphere the new appropriation bill, which you are going to examine, was prepared.

The decline of the world economic situation in general and of the national economic situation in particular prevented the 1983 operating budget from being carried out in the form in which it was approved. Public receipts were not as high as expected and public expenditures were greater than foreseen because of a larger accumulation of unpaid debts from fiscal years prior to 1983 and because of commitments not taken into account during preliminary preparation of said budget.

As you will recall, the ways and means budget was set by law at 14.575 billion Burundian francs. During the budget year it became clear that this estimate was very optimistic. We were forced to admit that the major components of this budget--the tax on transactions, taxes on income and receipts of businesses, revenue and excise duties--would not even reach the 1982 level.

Although receipts in 1982 were 11.5 billion Burundian francs, it is estimated that 1983's will be only about 11 billion, 22 percent less than what the appropriation bill had called for. As I indicated above, revenue correlates closely to the prevailing economic situation, and this depends primarily on producing and exporting coffee. Production in 1982 was mediocre and business and transactions felt the impact of this. This state of affairs plunged almost all local businesses

and trades into a generalized slump during the first half of 1983. Although the production of coffee has gone up during the current year, its impact on public receipts this fiscal year has not been significant because, as we pointed out earlier, the Treasury dropped its export duties on this product.

Estimates for 1983 fiscal receipts were 7.4875 billion Burundian francs for direct taxes and other taxes and 6.093 billion for customs duties, but only 73.4 percent and 75 percent of these amounts, respectively, will be reached.

For receipts collected by the department of taxes, the difference between estimates and actual figures is due to the way the tax on transactions works. We had estimated that doubling the rate would double the receipts we had in 1982 and that this would be reinforced by the impending good 1983-1984 coffee season.

The increase in the tax on consumption and development of local beer, which went from 416.6 to 572.75 francs per 12-bottle case, resulted in reducing consumption of this product.

The government then had to lower all taxes on beer in order to set a final price compatible with consumers' purchasing power.

Income tax recorded for 10 months of the year also declined slightly in comparison to the figures for fiscal 1982. The decline in this category of taxes was to a large extent caused by decreased local consumption due to a reduction in the money supply in rural areas because of the poor 1982-1983 coffee season. The decline in demand was so great that some companies had to lay off personnel or close the year with losses.

As for income collected by the customs department, results also did not equal expectations because of the policy to restrict imports decided upon by the authorities in order to avoid a rapid exhaustion of foreign exchange reserves. In 1982, customs revenue for the operating budget was 4.968 billion Burundian francs, compared to 4.103 billion in October 1983.

This situation is also due to the fact that many recorded imports were exempt because they involved equipment for our investment projects or imports made by legal entities that are normally exempt.

Administrative receipts went from 469 million Burundian francs in 1982 to 422 at the end of October. This is about the same for both years; in any case, they are of marginal importance.

As you have just noted, Mr President and Ladies and Gentlemen of the National Assembly, despite the efforts that government agents responsible for covering government receipts can make, increase of these receipts is quite limited.

Since the national economy is dominated by a traditional rural sector with little money, the efforts made by the government of the Second Republic to accelerate economic development and increase national revenue must first bear fruit, just as a policy to diversify our exports in order to soften the shocks of the world economy must be implemented.

For 1984 our estimates are based on an approximation of our foreign exchange reserves, on the volume of imports, which should not increase, and on an economy that is recovering thanks to a 1983-1984 coffee season that was good, as well as the effects that the adjustment of the Burundian franc will have on exports and imports.

As for the other customs receipts, it should be noted that revenue from the tax on imports of fuel will no longer be calculated as part of the budget but as part of the National Highway Fund and that the remaining revenue duties will remain at their 1983 level. We think that the same will hold true for the excise duties, consisting primarily of consumption and development taxes on industrial beer. It should be noted that, for fiscal 1984, the so-called development tax will to a large extent fund the operating budget, leaving a small portion for the investment budget.

In addition, by readjusting the exchange rate of the franc the government decided to reestablish export duties on coffee exports. This should bring in between 1.5 and 2.0 billion francs. At the same time, measures have been taken to improve the revenue offices in terms of both staff and equipment. Similarly, the offices are currently being reorganized to improve the yield of administrative receipts.

With this in mind, the government decided in particular to create a department that will include an administrative receipts office that will manage the state portfolio.

The appropriation bill for the ways and means budget of the state, which I am submitting to you, Mr President and Ladies and Gentlemen of the National Assembly, has been set at 15,171,811,000 Burundian francs.

#### National Debt and 1983 Unpaid Debts

Allow me now to discuss the "1984 government expenditures budget." I will begin by relating the situation in which the 1983 budget, which is coming to a close, was carried out.

Since the 1983 ways and means budget was not able to be carried out as planned because of circumstances cited above, the Ministry of Finance was obliged to curtail approved expenditures as much as possible. In doing this it conformed to article 7 of the law establishing the 1983 budget. I quote: "If receipts are less than expected, he (the minister of finance) is authorized to prevent the commitment of expenditures that are not fixed and obligatory."

Since the highly optimistic estimate of 1983 receipts unfortunately allowed a budget with considerable expenditures to be approved, it was no longer possible, despite the efforts of the Ministry of Finance, to effectively reduce budget commitments.

It was only toward June that we began to make monthly budget commitments equal actually expected receipts. Although somewhat late, this reaction did result in limiting this year's commitments to 14 billion Burundian francs, 1 billion less than what was voted in the budget.

Despite this restriction on budget commitments it was not possible to prevent several unpaid debts from accumulating for the second consecutive year. These debts will equal about 2 billion Burundian francs at the end of the current fiscal year.

In addition, although receipts were only a modest percentage of what was expected, as you already know, the government had to meet certain other commitments falling under the internal public debt that were not included in the budget. This amounted to 1.9 billion francs.

That is why actual withdrawals under the 1983 ordinary budget were restricted primarily to so-called irreducible expenditures, namely payment of net salaries, servicing the external debt, travel expenses, purchase of medicines and modest payments to public offices for operating expenses.

Despite this, the Bank of the Republic of Burundi had to make heavy ordinary advances so that the state bureaucracy could function. This poor cash situation is liable to continue because by the end of December the government will not be able to absorb the total amount of these advances, estimated to be 3.5 billion.

The 1984 ordinary budget will, therefore, start off with a serious handicap, namely what remains of the unpaid commitments of preceding budgets, amounting to 2.5 billion Burundian francs.

#### Increased Austerity

The 1984 budget, which I am submitting to you, was prepared in an atmosphere of increased austerity because the government had decided upon a policy of limiting the growth in public expenditures in coming years for purposes of economic and financial stabilization.

In conjunction with this effort to reduce expenditures, the effects of the 30 percent adjustment of the Burundian franc will be felt immediately because the public services that were buying goods and services in an artificially revalued currency--the Burundian franc--will now be able to spend more for the same goods and services. The major worry which dominated the preparation of this appropriation bill was to limit as much as possible the increase in budget appropriations compared to the approved appropriations for the ordinary budget now ending. The government hopes in this way to definitely stabilize actual public expenditures, which were beginning to take on enormous proportions compared to national income.

As for personnel costs, the head of state agreed during the First National Congress of the Union of Workers of Burundi held in Gitega that the salaries of civil servants would be decontrolled. That is why amending this situation was included in next year's budget. This is the only increase to be expected in this category for the moment.

However, the government intends to limit recruitment in the civil service and the armed forces in 1984. Recruitment for permanent employees will be authorized for the Ministry of Finance, the Ministry of Public Health and the Ministry of National Education. Elsewhere, a credit of 20 million Burundian francs will be used for recruitment that is deemed to be the most indispensable.

For staff under contract the government will continue the policy established last year, namely trying to reduce state employees, who are too numerous, so that those remaining will be more economical.

The government held appropriations for the operation of public services to the amount approved last year despite the effect the devaluation will have on them. This means requiring the heads of public services to establish stricter budgets. Only the special expenses of the Ministry of Public Health (purchase of medicine and hospital equipment) will be increased substantially.

With this same idea of stricter management in mind, appropriations for telecommunications expenses and consumption of water and electricity will no longer be centralized in the Ministry of Finance and the Ministry of Energy, Mines and Public Works. They will be divided among the ministries and each one will be responsible for their proper use until the end of the year.

The government reduced appropriations for both domestic and foreign travel below their estimated level last year despite an increase in the price of fuel, which is already in effect. We are also planning to very substantially reduce state contributions to international and regional organizations until our foreign exchange reserves improve.

In addition, the government plans to gradually lower operating credits for public departments that are independently managed. Since the financial austerity that the government intends to impose should also apply to subsidiary organizations, it should rightly be pointed out that beginning in 1984 the government will no longer subsidize communities. As a result, communities will have to learn to locate and create community resources.

But estimates for expenditures related to servicing the public debt, unlike other budget items, will be increased considerably. It is precisely in this category that the increase in state commitments is most remarkable, both for internal and external debt.

At the end of August 1983, the outstanding external debt was about 20 billion Burundian francs instead of the 3 billion of 1978. In addition, the conditions pertaining to new commitments are becoming more and more strict, which means that the service of the external debt increases from year to year--by 200 million Burundian francs for fiscal 1983. Estimates for 1984 are 1.5 billion, with the service of the external debt being increased by 30 percent, which represents the adjustment in the exchange rate of the Burundian franc compared to foreign currencies.

The internal debt is also increasing, primarily because of the government's obligation to finance the local share of projects financed by foreign aid or loans. The government is primarily in debt to the Bank of the Republic of Burundi (BRB), and also, to a certain degree, to CAMOFI [expansion unknown] and the Equalization Fund. But the largest category of internal debt is the unpaid debts of prior fiscal years.

As explained above, Mr President and Ladies and Gentlemen of the National Assembly, the 1984 ordinary budget should allow us to pay off the unpaid debts contracted at various levels of the Ministry of Finance and not yet honored because of insufficient funds (which are a result of the unpredictable circumstances surrounding the approved 1983 ways and means budget).

These unpaid debts have been estimated as cited above to be about 2.5 billion Burundian francs compared to 1.06 approved in 1983. Settling these debts is quite necessary and urgent in that the private and quasi-public sectors are liable to experience serious financial problems because of a lack of cash with which to continue production. This could be harmful to the implementation of the 1984 ways and means budget that I have submitted for your analysis.

Mr President and Ladies and Gentlemen of the National Assembly, I have commented briefly on the appropriation bill that has set 1984 expenditures and compared it to the 1983 bill. This budget is for 17,345,531,211 Burundian francs and has a deficit of 2.2 billion francs.

The budget deficit that I am asking you to accept despite everything, Mr President and Ladies and Gentlemen of the National Assembly, reflects an estimate of a realistic budget situation. Because, as I have mentioned throughout my speech, expected 1983 income was seriously overestimated. In addition, public expenditures were expected to be much less than they actually were during the fiscal year now ending. As a result, the deficit expected at the end of this fiscal year will be very large and will greatly surpass what we are predicting for the end of next year.

Expenditures for 1984 were prepared with an eye to austerity; realism prevailed; the Ministry of Finance drew up the preliminary bill in very close collaboration with the technical ministries. With the ways and means budget an effort was made to avoid idealistic estimates of the various budget items.

As can, therefore, be noted, irreducible government expenditures went from 15.1 billion to 17.3 because of prior fiscal years and, to a lesser extent, because of salary increases for civil servants.

The government and, through it, the Ministry of Finance intends to make even more of an effort during fiscal 1984 to reduce the deficit. In this regard we intend to continue the policy of authorizing budget commitments on the basis of expected monthly receipts as everyone began to do during the fiscal year now ending.

So I can predict that with the year now beginning the improved public finances of the country can again fulfill their basic mission--rebalancing financial and economic activity.

In closing I would like, in the name of the government, to ask you, Mr President and Ladies and Gentlemen of the National Assembly, to discuss and adopt this bill for the 1984 ordinary budget.

#### The Discussion of the Appropriation Bill

After the remarkable presentation by the minister of finance, the people's representatives asked him many questions both on the economic situation of our country in general and on the resources available to the state as well as on the motives that prevailed when the 1984 appropriation bill was drawn up.

Without going into detail on the various issues, a few points of interest will be mentioned. Briefly, they concern reducing subsidies to the communities, the advantages of devaluation and being linked with the SDR, the unpaid debts and the decrease in administrative income.

As for the impact on the budget of reducing civil servants, the minister of finance said that this is obvious, but an amount will not be known until the accounts for the current fiscal year are closed.

It was decided to eliminate government subsidies to communities to encourage them to use more imagination in managing their affairs. The argument that some communities, poorer than the others, would be suffocated was discarded by the minister of finance who pointed out that like nations, a community with few resources cannot live as if it had a lot of resources.

However, withholdings from the salaries of community employees for INSS [National Social Security Institute] contributions that have not yet been paid in will be included in the public debt to be honored by the government.

Similarly, the recently created new provinces, like the new communities, must wait until 1985 to consider building more functional offices.

The allocation of the "development tax" on beer to the operating budget was based on the economic situation and on political opportunism to allow the state to continue to function although some projects will have to be delayed.

As for recruiting civil servants, there will be a hiring freeze in 1984 except for the Ministries of Finance, Public Health and National Education for reasons of necessity.

The increase in unpaid debts was due to the fact that after having paid the national bank the agreed upon advance, the government was obliged to again turn to the same institution for a new loan.

The minister of finance also explained to the people's representatives the advantages of pegging our money to the SDR and the impact devaluation would have on our economy.

He first emphasized that the SDR is not a currency but a unit of reference which is an amalgam of five currencies of highly industrialized countries (the U.S. dollar, the German mark, the Japanese yen, the French franc and the British pound); an amalgam in which the dollar has a coefficient of 42 percent. The SDR's exchange rate is, therefore, equal to the weighted average of the five currencies, with the rise in the dollar being counterbalanced by the decline in the others and vice versa.

Our currency, artificially overvalued for 3 years because of the steep rise in the dollar, should now return to a more reasonable and more realistic exchange rate.

The new rate was decided upon to preserve both the interests of the national economy and the consumer.

As to its impact, the monetary adjustment has already allowed 2 billion francs to be found for the ordinary budget and 600 million for the investment budget because the extraordinary tax on coffee exports was reestablished.

Lastly, note that the tax on imports, which is only 523 million, tends to decline year by year because of the effects of economic development within the country.

The devaluation occurred, among other reasons, to discourage imports, which should in any case continue to decline if the economy reacts well.

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CSO:3419/327

GAMBIA

BRIEFS

DROUGHT RELIEF FUND--When the Vice-President, Mr. Bakary Dabo, launched this fund on behalf of Government at the last sitting of the house, he appealed to all Bamgians to "lend a helping hand" to their suffering brothers and sisters who are now experiencing difficulty due to the persistent draught. That the Vice-President's appeal, made barely a month ago did not fall on deaf ears can be testified to not only by the immediate response of some of the M.P.s (some of whom offered to give 10 % of their salary to the fund), but also by the fact that Mr. Dabo, under whose office the fund has been established, has started receiving actual donations in addition to the pledges. At the time of going to press, Mr. Touffick Massry had donated the sum of D500 (five hundred Dalasis) to the fund while the Rotary Club gave D 1000 (one thousand Dalasis). As its own contribution, the Senegambia Sun is dedicating part of its page 2, each week, with effect from Monday, 16 January, as a permanent space for the publication of a list of donors to the fund. We will leave blank any part of the allocated space, which is expensive, in the hope that it will quickly be filled up to the benefit of our people. [Text] [Banjul THE SENEGAMBIA SUN in English 9 Jan 84 p 12]

CSO: 3400/600

FLEEING TRIBESMEN TOLD TO RETURN HOME

Nairobi THE KENYA TIMES in English 12 Jan 84 p 4

[Text]

DAGODIA and Arjuran tribesmen who had fled Wajir district to other neighbouring districts have been directed by the North-Eastern provincial commissioner, Mr. Benson Kaaria, to return to their home areas immediately.

The PC gave the directive on Monday when he toured Liboi Hulugho and Modogashe divisions in Garissa district.

Kaaria who was accompanied by the provincial security committee and other provincial heads said this when he made a tour of the divisions to examine drought encroachment, security and other development activities in the district.

He said the movement of these tribesmen under the pretext of drought was not genuine as others have smuggled illegally acquired guns into these areas.

Kaaria observed that, although there was drought, the extent did not warrant much movement adding that their movement was double standard and would escalate overgrazing and disrupt peace in the neighbouring districts.

The PC noted that the Dagodia clan has not yet fulfilled the pledge they made to the minister in the Office of the President, Mr. Hussein Maalim Mohammed, at a leaders' conference in Wajir township when he made a tour of Wajir and Mandera districts recently.

The movement is in defiance of the promise they made to the government and is aimed at defeating security measures to procure illegal guns that were used by the two warring clans.

He added that "the guns were conveyed to all the areas where such herdsmen went and ordered them to return to their districts and surrender them before stern measures were taken".

The PC assured *wananchi* in Garissa division and other areas that the government will continue to protect their lives and properties and urged them to be vigilant and ensure that they reported infiltrators who posed as pastoralists in search of water and pasture to the authorities without delay.

He commended residents of Liboi and Hulugho divisions for maintaining peace in the area and promoting good neighbourlines and urged them to continue in the *Nyayo* spirit of peace, love and unity.

Saying that they are Kenyan Somalis who have the in-laws, and other relatives across the border, Kaaria advised those at the borders to follow government procedures and seek permits from their divisional DOs whenever they wanted to make such visits.

The PC reiterated that "no one can choose a brother neighbour" and urged them to follow the normal government procedures whenever they wanted to visit their relatives.

#### OVER-PRICING DECREASING UGANDAN BUYING

Nairobi THE KENYA TIMES in English 17 Jan 84 p 6

[Editorial: "Pricing Ourselves Out of Uganda"]

[Text] FOLLOWING the return to civilian rule in Uganda, President Milton Obote's government is slowly lifting Uganda from the economic oblivion of Amin's eight-year tyrannical military government.

Uganda has always been an excellent trade partner with Kenya. Even during the rough days of Idi Amin when the political relationship sank to its lowest ebb, trade with Uganda never really stopped. Although smuggling rose to its peak, culminating in the 1977 in-famous Chepkube coffee racketeering, the two countries still managed to conduct inter-state trade.

As Amin's rule had brought nearly every industry in Uganda to a standstill, Ugandans did nearly all their shopping in Kenya. Indeed, in his welcoming speech to President Moi at Tororo Stadium in June last year, President Obote himself declared: "Kenya is our shop. We do not want the shop to be looted. We want the shop to be in peace".

It is highly unlikely that Kenya is going to remain Uganda's "shop" for long. Certainly Ugandans are not going to sit back and continue buying everything from here, particularly if Kenyan goods are over-priced, as many of them are at the moment.

With the enterprising spirit of Ugandans, the country's economy has picked up surprisingly fast. Foreign exchange earnings of \$8 million per month in 1981 have risen to \$45m. per month to date. Kenyan businessmen and women are now going across the border for merchandise to bring back to Kenya. Businessmen complain of slow reaction from the Chamber of Commerce and Industry and government officers here which make it impossible to react to the conditions of the market. The result has been an over-pricing of Kenyan goods to the extent that Kenya can no longer be a "shop" for Uganda. For example, Uganda now finds it cheaper to import a Land-Rover vehicle direct than buy the ones assembled in Thika! The same goes for whiskies and chiffon cloth.

When Uganda's economy was in shambles during Amin's rule, Kenyans would be excused for dragging their feet and playing the "bigger-brother" role in their

inter-state trade. The other general complaint is that official channels in Kenya are so "red-taped" taht they are counter-productive. Ironically, the winners in this game have been an enterprising group of Kenyan "mirege" women who through an intricate series of associations with Ugandan businessmen are managing to earn Kenya considerable foreign exchange.

The pricing of export commodities by manufacturers is working against Kenyan goods in Kenya. Since Kenya has declared 1984 export year, wananchi are unlikely to be impressed by reports that clothing material and a host of other goods cannot sell in Uganda.

In an extensive interview with The Sunday Times, President Obote has expressed the danger of over-pricing, and emphasised the importance of mutual interests in the maintenance of peace and in economic relations. That mutuality is certainly essential for both countries.

CSO: 3400/606

## LARGE LEATHER TANNERY PLANNED

Nairobi THE KENYA TIMES in English 14 Jan 84 p 8

[Text]

KENYA will have the biggest leather tannery ever to be set up in the country following a shs. 125 million agreement signed in Nairobi yesterday between local investors and international development agencies.

The tannery will process locally available hides into finished leather for export to the European and other world markets for fashion goods, leather garments and shoe uppers.

The consortium of local private and institutional investors and the international development agencies intend to establish a fully integrated tannery in the country to be known as Leather Industries of Kenya, at Thika.

The consortium is led by Industrial Promotion Services of Kenya (IPS) which is part of the international IPS group of companies formed by H.H. the Aga Khan.

Equity and loan capital from international sources has been funded by International Finance Corporation (IFC), United States Agency for International Development (Usaid), the German Development Company (Deg), and Societe Belge d'Investment International (SBI).

Also to provide equity and loan capital will be the Belgian Development Bank, Fund for Research and Investment in the Development of Africa (Frida), which is

based in the Netherlands, Union des Tanneries de Malmedy et Tannerie Moderne (Utammo) a Belgian company and Industrial Promotion Services which is also part of the international IPS group.

The local component of equity has been financed by a number of private investors including the Standard Bank Trustee Department, Diamond Trust of Kenya Ltd; Jubilee Insurance Company Ltd., and IPS (K) Ltd.

Loan finance has been provided by the Development Finance Company of Kenya Ltd., East African Development Bank and Standard Bank, PLC.

The company will provide direct employment for about 400 Kenyans and earn foreign exchange for the country at an estimated rate of shs. 125 million per year.

This concept of adding value to a locally available resource and exporting the finished products is in line with government policy for increased utilisation of local manpower resources, raw materials and maximisation of the export potential of Kenya products.

In order to secure rapid and effective transfer of technology, Utammo, the technical partner, will provide and supervise the application of modern leather technology and assist in the implementation of an effective in-house training programme.

## FARMERS CO-OPERATIVE UNION IN DEBT

Nairobi THE KENYA TIMES in English 13 Jan 84 p 4

[Text]

THE Central provincial co-operative auditor, Mr. J. P. Njuguna, has revealed that Nyahururu Makao Farmers Co-operative Union which recently split into Nyandarua and Laikipia district farmers co-operative unions owes the Co-operative Bank of Kenya over shs. 38.5 million in loans.

And the interim chairman of the Laikipia union, Mr. Simon Thumbi, has claimed that a big fraction of the loan was created by several top civil servants in Nyandarua district, who allegedly obtained the money illegally on account of Laikipia South Farmers Co-operative Society.

The revelation and the claim were made on Tuesday at the meeting of over one hundred delegates from 41 societies affiliated to Makao Union held at Nyandarua County Council chamber and attended by the Central provincial co-operative boss, Mr. Michael Gitau, and the Co-operative Bank manager for Central and Eastern provinces, Mr. F. Mugambi.

Njuguna was reporting on a two-month auditing and division activities he carried out with a view to dividing fairly the assets of the mother union to the two new unions.

The decision to split was unanimously reached by the delegates on May 17, last year, saying that the shs. 38,526,865/40 debt which in-

cluded bank interests was as at November last year.

Njuguna explained that 28 societies in Nyandarua owed the bank shs. 24,658,187/80 and the 13 in Laikipia shs. 10,266,463/15. He said employees of the union plus some civil servants in the area owed the union a total of shs. 906,079/95 and advised the money be recovered through an advocate.

Njuguna reported that the assess division had not been easy adding he had used two methods to ensure fair distribution. He said he used a seven to one ratio in some instances and in others a direct distribution in which fixed assets remained in the district they were in.

Njuguna's draft of the report was unanimously accepted and recommended for presentation to the commissioner of the co-operatives after which the new unions will be registered and elections held.

Njuguna castigated the local ministry of co-operative officers for not supervising the running of the union. He lamented that the management of the union was "extremely poor" adding it did not even have a single qualified accountant.

"I am disgusted to note that debtors are often entered as creditors and vice versa," he said.

MILK PROCESSING PLANT TO OPEN

Nairobi THE KENYA TIMES in English 20 Jan 84 p 11

[Text] THE shs. 100 million milk processing factory coming up at Miritini in Mombasa is expected to be commissioned at the end of next month. It will have a capacity for 200,000 litres of milk a month.

This was said yesterday by the planning and development manager of the Kenya Co-operative Creameries, Mr. Samuel Maina Karimi, when he received the minister for agriculture and livestock development, Mr. William Odongo Omamo, who is on a tour of the Coast province.

Karimi said that KCC field service personnel were working closely with agricultural extension staff to ensure the availability of enough milk when the factory starts operations.

He told the minister although it was not expected to operate at full capacity in the initial stages, it would be supplying 70 per cent of milk in the Coast province in about two years' time.

As the factory neared full capacity, milk could be sold to Lunga Lunga and Tanzania talks regarding which were under way to finalise these arrangements following the reopening of the Kenya-Tanzania border, Karimi said.

Omamo said that the plant should be seen to effectively develop and support the dairy industry in the region.

There must be proper co-ordination between the KCC staff and the ministry of agriculture field staff to ensure that there were enough grade cattle to supply the needed capacity of milk for processing in the factory, he said.

Omamo, who was accompanied on his tour by an assistant minister in his ministry, Mr. Omar Soba, pointed out that it would be ironical for milk to continue being supplied from up-country while there existed modern facilities for processing milk in Mombasa.

He also asked the KCC management to thrash out any antagonistic feelings existing between them and the Kilifi/Kwale Co-operative Union that runs the Mariakani milk scheme plant nearby so that the two could peacefully and economically co-exist.

## LIVESTOCK DEVELOPMENT PROJECT TO RECEIVE GERMAN AID

Nairobi THE KENYA TIMES in English 13 Jan 84 p 8

[Text]

WAMBA livestock development project in the Coast province will receive a boost of shs. 10 million to finance cattle vaccination, the German ambassador, Mr. Johannes von Vacano, said yesterday when he paid a courtesy call on the minister for agriculture and livestock development, Mr. William Odongo Omamo.

Another shs. 1 million will go towards assisting the German Agricultural Team (GAT)-sponsored fruit tree nursery development programme within the prisons department.

A further shs. 3.5 million will be utilised in the construction of the National Horticultural Extension Training Centre together with three staff houses at the National Horticultural Research Station in Thika.

The ambassador said that in 1974, the German government donated fertilisers which were sold in Kenya. The sales proceeds were credited on a German-Kenyan counterpart fund at the Central Bank of Kenya.

Part of the fund was transferred to this account was used to improve horticulture and livestock.

Vacano said his govern-

ment was now mainly assisting a project under Food for Work Programme within the ministry of agriculture and livestock management.

The Wamba Livestock Development Project consisting of four experts, is aimed at improving the livestock management and production systems of the Samburu pastoralists and the German government has allocated shs. 89,275 for it during the 1982-1984 period.

In addition the ministry received commodity aid in 1980 and 1982. The money was used to purchase agricultural commodities and workshop equipment amounting to shs. 450 million.

An application for an additional allocation of shs. 20 million out of the total commodity aid for 1984 has been submitted to the treasury.

Omamo thanked the German government for the assistance given to Kenya in rural development since 1965. He recalled that technical co-operation started with the creation of the German Agricultural Team which was still operating and was the largest German technical assistance project in Kenya.

CSO: 3400/606

## BRIEFS

CO-OP BANK TO RESCHEDULE DEBT--THE Co-operative Bank of Kenya has agreed to reschedule a total of shs. 21 million given as a loan to sugar-cane farmers in Miwani area. This assurance was given by the bank's general manager, Mr. Jason Kimbui, during a meeting between the farmers and agriculture and live-stock development minister, Mr. William Odongo Omamo, in Kisumu over the weekend. The assurance followed an earlier request by the farmers to the bank, through the minister, that unless the old loans were rescheduled many of them would give up sugarcane farming. But speaking to the farmers directly, Kimbui said the bank was prepared to reschedule old loans dished out some time in 1978. "We are prepared to reschedule the loans and even give fresh ones to the loanees provided the factory (Miwani Sugar Factory) management undertakes to collect the cane and also effect loan payment deductions directly from the farmers," Kimbui said. The general manager, however, stressed that "loans once given out to the farmers must be repaid whatever the conditions might prevail. There can be no question of writing off the loans given out". Earlier, addressing the same meeting, Omamo appealed to the farmers to establish a strong outgrowers department which would monitor problems cropping up on day-to-day basis. "If you establish a strong outgrowers department, you will find that some of your problems are minimised drastically". [Text] [Nairobi THE KENYA TIMES in English 16 Jan 84 p 16]

CRACKDOWN ON DRUG THEFTS--THE Kenya government is to take stern measures against drug thefts in hospitals during the coming year. This warning was made by the minister for health, Mr. Kabeere M'Mbrijjewe, when he received one and a half tons of drugs from the Russian government at the Russian-built New Nyanza General hospital, in Kisumu, yesterday. "We regard theft of drugs as the main cause of lack of medicine in the hospitals, and we intend to seriously crack down on it during the coming year." Appealing for co-operation from parliament, M'Mbrijjewe warned that there would be no "godfathers" in the national assembly to protect the culprit in the drug trafficking exercise. Similarly the minister appealed to wananchi to assist in the exercise. The minister received drugs from the first chancellor in the Russian embassy to Kenya, Mr. Victor Tarason, on behalf of the Kenya government. Speaking just before he received the drugs, the minister said that 1984 was going to be "a year of action" and warned suppliers of drugs who produced sub-standard drugs that they would be black-listed in the coming year. Similarly the minister warned contractors who delayed government projects resulting in wastage of public funds. "The government has identified all such defaulters and I wish

to warn them here that they should complete their contract by the end of January. "Failure to do this will mean action will be taken against them," he warned. [Text] [Nairobi THE KENYA TIMES in English 30 Jan 84 p 32]

EXPANSION OF LAKE PORTS STUDIED--THE Lake Basin Authority will get an expert in two months' time to carry out a feasibility study on the redesigning of the ports on Lake Victoria. This was said yesterday by the head of a team of experts from Finnconsult Company who called on the authority's managing director, Mr. Ben Oburai at this office yesterday. Others would also be sent to study the boat building industry, he said. Obura expressed the need for rehabilitation of piers and ports on Lake Victoria with a view to improving transportation on the lake. Obura noted that Lake Victoria provided a big potential for transportation which should be exploited. He said a number of people would be relieved of expenses, inconveniences and sometimes frequent accidents on land transportation if the transport system on the lake was improved. He noted that most of the landing zones along the lake were submerged during the 1961 flooding of the lake which put them out of use upto date and called on the Finnconsult to send experts to undertake the study leading to the rehabilitation of the ports and piers. Obura also said that the authority was keen in the establishment of boat building in the region to boost the fishing industry and improve transportation on the lake. [Text] [Nairobi THE KENYA TIMES in English 7 Jan 84 p 3]

LARGE SALT IMPORT--DESPITE denials regarding widespread salt shortages in the country, a large consignment of imported salt arrived in Mombasa on Sunday to supplement the local supply. The consignment, comprising 10,000 tons of unrefined salt, arrived from Australia and was expected to be unloaded in the afternoon. It is estimated that six days will be needed for the unloading. The consignment was ordered by Salt Manufacturers (K) Ltd (Kensalt) whose managing director, Dr. J. L. Murungi, said 10 days ago that the company had sufficient raw salt for domestic needs. Shortly before Christmas, when the shortage was at its height, Dr. Murungi denied reports that salt was not being supplied to shops in adequate quantities. Yesterday, the chairman of the Kenya National Trading Corporation, Prof. S. K. Ongeri, also maintained that "there is plenty of salt in the country." He said, however, that there had been a temporary shortage of salt supply due to the long rains". The corporation is the main distributor of salt in Kenya. Sources at Kensalt said the imported salt was enough to satisfy local demand "for quite a while". Presently Kensalt owns a salt harvesting project some 20 miles north of Malindi. In Nairobi, Prof. Ongeri said when asked about the importation that it was in order to Kensalt to import salt since Magadi Soda, a major salt manufacturer, had diverted its production to cattle salt as well. He said he ahd been away from his office and did not have relevant statistics on the corporation's current supply of salt to the domestic market. [Text] [Nairobi THE KENYA TIMES in English 10 Jan 84 p 1]

UNIDO COMMITTEE SET UP--KENYA has established a national committee for Unido --the United Nations Industrial Development Organisation--in a move to strengthen co-operation with the organisation. This brings the number of national committees to 63. The national committee will serve in an advisory capacity to the government of Kenya on all questions relating to the

activities of Unido and will mobilise support of various institutions, both public and private, for Unido operations in Kenya. The chairman of the Kenya National Committee is J. Waiboci, deputy secretary, ministry of industry. Members include representatives of the ministries of finance, economic planning and development, commerce, and of the directorate of personnel management, the national council of science and technology and other organisations. [Text] [Nairobi THE KENYA TIMES in English 14 Jan 84 p 8]

KMC TO GO FOR CATTLE--THE Kenya Meat Commission will from now on be visiting livestock markets in Machakos and Kitui to make its livestock purchases there instead of the farmers moving their livestock to the KMC. An assistant minister for agriculture and livestock development, Mr. William arap Saina, saying this, added that the purchased livestock would be paid at their live weight as opposed to the former method of paying at dressed weight. Speaking at Mwala the largest livestock market in Machakos district, on Wednesday, Saina said that the buying at markets by the commission would save the farmers precious time used in transporting the cattle to the factory. He said that farmers were losing a lot of money after selling their livestock at very low prices in fear of the animals dying. He added that some farmers were selling their cattle even on the way to the factory as a result of frustration. The assistant minister was applauded by farmers when he announced that he had come to Mwala to monitor the situation following the dying of cattle at KMC, Athi River, recently. Saina was flanked by an assistant secretary in the ministry, Mr. Moses Longo, Eastern provincial director of agriculture, Mr. Joel Muasya among the others. [Text] [Nairobi THE KENYA TIMES in English 20 Jan 84 p 4]

BUMPER COTTON HARVEST--COTTON farmers in Galole division of Tana River district have had a record harvest of over 20,000 kilos of seed cotton last season, according to the divisional agricultural officer, Mr. Noel Mwakitele. He said the bumper harvest was as a result of a campaign by his office for the use of pesticides and herbicides in many parts of the division. He said that the unavailability of agro-chemicals in the district was still a stumbling block to farmers who had to travel all the way to Mombasa to buy them. He noted that although a KFA stockist was supposed to open a branch in Hola early last year he had not yet done so. The officer commended farmers from Kinakomba location for realising the importance of the cash crops and abiding strictly by the technical advice given by his ministry's officials. --The secretary manager of the Holaw Farmers Co-operative Society, Mr. Ramadhani Ojilo Omar, has said that the society will continue to give priority to cotton from irrigation schemes before considering buying from rain-fed zones whenever harvest time coincided. The society, which is an appointed agent of the Cotton Lint and Seed Marketing Board, is charged with the responsibility of buying cotton from the Hola irrigation scheme. [Text] [Nairobi THE KENYA TIMES in English 20 Jan 84 p 11]

TRADE AGREEMENT SIGNED WITH YUGOSLAVIA--A TRADE agreement worth about shs 67.5 million was signed in Nairobi yesterday between the National Bank of Kenya and Ljubljanska Banka to encourage Kenyan businessmen to export and buy goods from Yugoslavia. [Text] [Nairobi THE KENYA TIMES in English 20 Jan 84 p 24]

HYDRO-ELECTRIC POWER STATION--CONSTRUCTION work on a hydro-electric power station, described as the largest single investment project in East Africa, is now due to begin at Kiambere on Tana River following the signing of the contract between the Tana and Athi Rivers Development Authority (TARDA) and the Energoprojekt Corporation of Yugoslavia yesterday in Nairobi. The contract for the shs. 5 billion project was signed by Mr. A. Ng'ang'a, chairman of TARDA and Mr. G. W. Gichuki, managing director of TARDA. On the Yugoslavia side, Mr. L. J. Mojovic and T. Nenadic signed for Energoprojekt. Construction marks the beginning of work on the construction of a new 140 megawatt hydro-electric dam, downstream of the existing cascade of stations in the Upper Tana which already contribute about 340 megawatts to the country's present generating capacity of 521 mega-watts. After the signing ceremony, Biwott disclosed that parallel to the government of Kenya's own investment in the project, financing of the main dam civil work will be by the World Bank, African Development Bank, Saudi Fund and the Yugoslav Bank. [Text] [Nairobi THE KENYA TIMES in English 20 Jan 84 p 24]

CEMENT COMPANY EXPORT EARNINGS REPORTED--BAMBURI Portland Cement Company earned the country shs. 50 million in foreign exchange from the sale of cement last year, the firm's outgoing vice-chairman, Mr. I. L. Roberts, has said. Roberts said this when he received the Mombasa acting DC, Mr. J. Gakuo and a team from his office for a tour of the factory. He disclosed that the factory was faced with financial hardships and had frozen all salary increments and donations to charitable organisations. The current labour force, however, would be maintained. In reply the DC, who was accompanied by the area MP, Mr. I. Mwaruwa, hailed the role the firm played in the task of nation building which included donations to self-help projects. He appealed to the management to reconsider the issue, adding that the current financial squeeze affected not only the factories but also the other areas of development. He pleaded with the firm to resume their donations to projects as they had been playing a leading role in development. He, however, thanked the firm for its generosity in the past. Present were the chairman, Mr. Brenneisen, the managing director and the firm's personnel director, Mr. J. Kimathi. Later the team was taken round the firm's afforestation site, to a fish farm, another project where the firm was spending a lot of money, and a small park where visitors including tourists could enjoy game viewing, bird watching and a walk in the forest. The leaders felt that there was great need for the firm to put up a secondary school in the area to cater for the children of their staff and the area residents. [Text] [Nairobi THE KENYA TIMES in English 19 Jan 84 p 5]

ESTABLISHMENT OF MORE POLYTECHNICS URGED--THE government has been urged to establish more village polytechnics to cater for the thousands of school leavers, most of them CPE drop-outs. This was made by the secretary-general of the Kenya National Union of Teachers (KNUT), Mr. Ambrose Adongo, who noted that such polytechnics could absorb such school leavers. Adongo made the call while sending a new year's message to the more than 100,000 KNUT members. "We in the teaching profession are increasingly concerned with the large number of school drop-outs who join the growing number of unemployed every year. Concrete measures must now be taken to arrest the situation before it gets out of control", the Knut boss said. Adongo congratulated the government for its bold decision to abolish the CPE and said the introduction of a new

educational system meant greater challenges for the teachers, parents and the government itself. He urged a renewed determination and devotion by all concerned to make the new system a success. "The Knut has been critical of the previous educational system which left many children stranded after the CPE, thus the Knut calls upon the government to establish more village polytechnics to transform these stranded young Kenyans into useful citizens by giving them some skills", Adongo said. The new educational system calls for concerted efforts on the part of teachers, parents associations and the government, Adongo said. [Text] [Nairobi THE KENYA TIMES in English 3 Jan 84 p 3]

SISAL PRODUCTION FIGURES REPORTED--KENYA's annual sisal production figures for 1983 are expected to hit the 50,000 tons mark despite drought which affected certain growing areas in the country. According to the Wigglesworth & Company's fibre report, the annual figure will be similar to Tanzania's figure. However, the drought condition which affected certain Kenya's estates are likely to cause isolated cases of late shipment, the report said. Citing monthly sisal production in Kenya, the report noted that in September, the country produced 4,775 tons. The considerable increase in polymer prices throughout Europe has had little effect upon sisal fibre or beler twine prices, it said. There was, however, a slight narrowing of the differential between African and Brazilian sisal, but there still remains a substantial disparity, the report stated. More fibre was available from Tanzania than had been the case in the period between August to September. However, little business was concluded. There still remains considerable problem in moving the fibre to the port to meet vessels for existing commitments. It is likely that 1983 Tanzania production of sisal will show a decline from last year's level, the report said. There were small differences in the prices of the various grades of sisal as far as trading levels for East Africa were concerned. Much also depended on the origin of the sisal, quality and destination, it noted. But sisal grade No. 3L was selling at \$645 to \$660 a ton while No. 3/UG grade was sold for between \$535 and \$560 per ton. As for Madagascar, there was considerable business closed during October and all estates were now well sold. No sisal news was received from Angola during October but some small business was believed to have been registered in Mozambique sisal, according to the fibre report. [Text] [Nairobi THE KENYA TIMES in English 3 Jan 84 p 10]

MUSLIM COMMUNITY SPLIT--Muslims in Kenya have been split into two camps: one supporting Iraq and the other supporting Iran, an Assistant Minister for Lands and Settlement Mr Shariff Nassir told a fund-raising meeting yesterday. He called on the Government to check on the movement of embassies' officials in Kenya "because it is they who had caused the split". The Assistant Minister, who was addressing a fund-raising meeting at Biafra Estate, Eastleigh, in aid of Mrs Narma Amir who is attending the University of Chandigarh, in India, urged Muslims to refuse to being split into rival camps, Mr Nassir said: "We now have two camps in the Islamic religion in Kenya; one supporting Iraq and the other one Iran." Why should the embassy officials want to involve Kenyans in the Iraq/Iran politics, he asked. "Are we in the Middle East to also be involved in the Arab-Israeli conflicts", the Assistant Minister asked. He urged the Government to check on the movement of embassy officials in the country. He said Kenyans did not want to be involved in the Gulf war but should be left to participate fully in Kenya politics. He urged co-operation

between Muslims and Christians, saying they were members of one nation, one destiny and adore one God. He said in the past he had been scorned by Muslims for contributing funds towards the building of churches. Mr Nassir also called on the Government to let Nairobi have a council. "If the Nairobi City Commission has done its work now, then, there should be the election of councillors who should serve Nairobi better", he said. Earlier, the local MP, Mr Andrew Ngumba, said parents should not lament that many of their children failed CPE examination because "even if they all passed, there were not enough secondary school places. He gave the example of his constituency where he said there were 32 primary schools and only four secondary schools. "If all the children in the primary schools in my constituency passed, would they have been accommodated in the four secondary schools," he asked.

[Gichuru Njihia] [Text] [Nairobi THE KENYA TIMES in English 8 Jan 84 p 8]

UNION THREATENS TO STRIKE--THE Kenya Timber and Furniture Workers Union (KTFWU) has threatened to call all its members on a general strike unless the 128 workers who have been locked out by Bomco Industries are returned to work by February 5, this year. In a letter addressed to the minister for labour, Dr. Robert Ouko and made available to the press, the national general-secretary of the union, Mr. David Matheru, accused Bomco of locking out the employees since last Christmas. He warned that unless they were returned to work by February 5, the KTFWU be left with no alternative but to withdraw all its 10,000 members in the furniture industries on sympathy strike. In his letter, Matheru observed that Bomco had granted to all its employees Christmas leave from December 21 to January 3. On resuming duty they were surprised to find a notice posted on the factory gate reading "there is no work until January 9, 1984". On January 9 the employees were told 93 employees had had their services discontinued and only 35 workers would be required in the factory. Hence a protest by all the 128 workers following the harsh management decision. Since January 9, Matheru said, a series of meetings had been held between his union, Bomco management and officials from the ministry of labour but a settlement had not been reached on the lockout. He referred to a meeting held last Thursday at the labour headquarters chaired by the deputy chief industrial relations officer, Mr. M. M. Nyaga, in which Nyaga requested for more time in which to investigate the company's allegations that 93 employees were being discontinued. Accusing Nyaga and Bomco of applying delaying tactics in the matter, Mr. Matheru said: "We objected Nyaga's request because the procedure on strikes and lock-outs is to work out a return-to-work-formula and carry out any investigations if necessary while employees are working."

[Text] [Nairobi THE KENYA TIMES in English 16 Jan 84 p 3]

PAY FEES OR LOSE LIVESTOCK--THE government may have to confiscate and auction livestock belonging to parents who denied their children a chance to go to school and use the proceeds to pay their fees, the North Eastern provincial commissioner, Mr. Benson Kaaria, has warned. He termed such parents as retrogressive elements. He was receiving the area provincial education officer, Mr. Omar Sheikh Farah, who called on him to review educational progress in the province. He said students from North-Eastern province who had been offered places in national schools must ensure they got to their selected schools without failure. Kaaria, who was impressed by the general performance in CPE by the province, directed that parents whose children had been admitted into

secondary schools should encourage and take serious steps to ensure that such students reported to their respective schools without delay when the schools will be opened. "Parents should tighten their belts to pay school fees for all those students who have been offered places in national schools without failure," said Kaaria. He further emphasised: "It is a must that all the 160 students selected report to their schools when opened". Kaaria said wananchi in the province should take their share of the national cake when it is offered before they were overtaken by events. Cautioning parents, the PC said lame excuses, such as lack of school fees would not be entertained. Kaaria announced that a harambee fund-raising would be conducted in Garissa Baraza park on January 13 in aid of destitute children from Wajir, Mandera and Garissa districts who did not have fees required in national schools. He noted that a select committee would be formed to scrutinise and verify deserving cases who came from poor families in order to avoid such opportunities being taken by students from well-to-do families. [Text] [Nairobi THE KENYA TIMES in English 7 Jan 84 p 3]

CSO: 3400/606

**MAURITIUS**

**BUREAU OF STATISTICS ISSUES EMPLOYMENT FIGURES**

**Port Louis L'EXPRESS in French 7 Jan 84 p 7**

**[Text] [Tables attached]**

Table I. Employment<sup>1</sup> in Large Establishments by Major Industrial Group and Sex--September 1983  
September 1982 September 1983<sup>5</sup> Differences: September 1983  
to September 1982

Industrial Group	September 1982				September 1983 <sup>5</sup>				Differences: September 1983 to September 1982			
	Males	Females	Both sexes	Males	Females	Both sexes	Males	Females	Both sexes	Males	Females	Both sexes
Agriculture and fishing	42,140	14,558	56,698	42,003	14,232	56,235	-	137	-	326	-	463
Sugar <sup>2</sup>	36,705	13,159	49,864	36,715	12,933	49,648	10	-	226	-	216	
Tea <sup>3</sup>	4,068	660	4,728	3,894	502	4,396	-	174	-	158	-	332
Tobacco	377	557	934	404	590	994	27	-	33	-	60	
Other	990	182	1,172	990	207	1,197	--	25	-	25	-	25
Mining and quarrying	71	81	152	82	83	165	11	-	2	-	13	
Manufacturing	15,465	21,388	36,853	15,385	21,354	36,739	-	80	-	34	-	114
Electricity and water	4,251	152	4,403	4,079	137	4,216	-	172	-	15	-	187
Construction	5,417	142	5,559	4,314	134	4,448	-1,103	-	8	-	8	-1,111
Wholesale, retail trade, restaurants and hotels	7,065	1,848	8,913	6,966	1,838	8,804	-	99	-	10	-	109
Transport, storage and com- munication	7,090	508	7,598	7,123	502	7,625	33	-	6	-	6	27
Financing, insurance, real estate and business services	3,469	1,268	4,737	3,365	1,280	4,645	-	104	12	-	12	92
Community, special and personal services	50,491	12,868	63,359	50,459	12,836	63,295	-	32	-	32	-	64
Government:	(a) Central	40,177	9,294	49,471	49,421	49,811	244	96	340			
	(b) Local <sup>4</sup>	5,073	504	5,577	4,757	5,265	-	316	4	-	312	
Other	5,241	3,070	8,311	5,281	2,938	8,219	40	-	132	-	92	
Activities not elsewhere specified	6,202	37	6,239	6,186	38	6,224	-	16	1	-	1	15
Grand total	141,661	52,850	194,511	139,962	52,434	192,396	-1,699	-	416	-	2,115	

1. as on last Thursday of the month; 2. including factories; 3. including factories and Tea Development Authority; 4. municipalities and district councils; 5. provisional as at 14.11.83, response rate of about 54%.

Table II. Employment in Large Establishments by Major Industrial Group--(March 1981-September 1983)

Industrial group	Employment					
	March 81	September 81	March 82	September 82	March 83	September 83 <sup>4</sup>
Agriculture and fishing	53,456	56,955	52,457	56,698	52,363	56,235
Sugar <sup>1</sup>	47,271	50,066	46,457	49,864	46,163	49,648
Tea <sup>2</sup>	4,582	4,611	4,747	4,728	4,790	4,396
Tobacco	729	1,253	275	934	239	994
Other	874	1,025	978	1,172	1,171	1,197
Mining and quarrying	147	147	147	152	160	165
Manufacturing	36,889	37,178	38,329	36,853	36,827	36,739
Electricity and water	4,430	4,363	4,451	4,403	4,231	4,216
Construction	7,257	6,300	5,659	5,559	4,482	4,448
Wholesale, retail trade, restaurants and hotels	9,122	8,999	9,129	8,913	8,847	8,804
Transport, storage and communication	7,842	7,937	7,842	7,598	7,634	7,625
Financing, insurance, real estate and business services	4,576	4,634	4,669	4,737	4,689	4,645
Community, social and personal services	62,822	63,176	64,008	63,359	63,321	63,295
Government:	(a) Central	49,029	49,358	50,163	49,471	49,811
	(b) Local <sup>3</sup>	5,522	5,547	5,536	5,577	5,265
Other	8,271	8,271	8,309	8,311	8,245	8,219
Activities not elsewhere specified	6,913	6,355	6,376	6,239	6,151	6,224
Grand Total	193,454	196,044	193,067	194,511	188,705	192,396
1. including factories						
2. including factories and Tea Development Authority						
3. municipalities and district councils						
4. provisional as at 14.11.83, response rate of about 54%						

Table III. Average Earnings in Large Establishments by Major Industrial Group--(March 1981-September 1983)

Industrial group	Average earnings					March 81	September 81	March 82	September 82	March 83	September 83 <sup>1</sup>
	March 81	September 81	March 82	September 82	March 83						
Agriculture and fishing	389	1,197	1,031	1,348	1,132						1,439
Sugar <sup>2</sup>	890	1,231	1,030	1,387	1,122						1,470
Tea <sup>2</sup>	847	942	971	1,054	1,157						1,197
Tobacco	527	587	621	658	642						660
Other	1,349	1,485	1,552	1,500	1,521						1,625
Mining and quarrying	579	658	669	692	702						775
Manufacturing	843	924	920	977	998						1,062
Electricity and water	1,754	2,136	1,959	2,277	2,296						2,480
Construction	1,293	1,436	1,440	1,485	1,535						1,574
Wholesale, retail trade, restaurants and hotels	1,513	1,639	1,712	1,849	1,788						1,893
Transport, storage and communication	2,163	2,382	2,319	2,486	2,580						2,646
Financing, insurance, real estate and business services	2,389	2,590	2,664	2,806	2,860						2,971
Community, social and personal services	1,507	1,706	1,745	1,875	1,923						1,999
Government: (a) Central	1,492	1,705	1,749	1,895	1,936						2,011
(b) Local <sup>4</sup>	1,346	1,428	1,433	1,522	1,550						1,625
Other	1,703	1,900	1,935	2,043	2,078						2,162
Activities not elsewhere specified	736	938	904	1,084	1,162						1,229
Grand Total	1,227	1,430	1,400	1,574	1,541						1,676
1. provisional as at 14.11.83, response rate of about 54%;						3.	including factories and Tea Development				
2. including factories						4.	municipalities and district councils				

RWANDA

BRIEFS

REFUGEE AGREEMENT WITH UGANDA--After having met with President Habyarimana on 11 November, the Ugandan minister of state for defense, Peter Otai, stated that Rwanda and Uganda had reached an understanding on the refugee problem. Otai had arrived at the head of a delegation that also included the chief of staff of the Ugandan army, Maj Gen David Oyi Te Ojok. President Habyarimana gave him a message for the Ugandan head of state. [Text] [Paris AFRIQUE DEFENSE in French No 69, Dec 83 p 24] 9720

LIBYAN AID--Rwanda received a gift from Libya of \$170,000 for the purpose of building an Islamic cultural center. [Text] [Paris AFRIQUE DEFENSE in French No 69, Dec 83 p 24] 9720

CSO:3419/327

DR DADOO'S FAREWELL LETTER TO COMRADES PUBLISHED

London THE AFRICAN COMMUNIST in English No 96, 1984 pp 19-24

[Text]

*Dearest Comrades and Colleagues,*

It is with deep sorrow and great personal regret that I inform you of my inability to attend this most important meeting. It will be the first time since the reconstitution of our Party that I have been absent from ordinary or plenary sessions of the Central Committee. Furthermore, since my election as chairman in 1972, this will be the first time I am deprived of the honour and privilege of presiding over the deliberations of the Central Committee. I am sure you will all understand that my absence is due entirely to my present poor state of health.

It is now, reflecting on events from my hospital bed, that I fully realise the faith, confidence, loyalty and dedication that comrades of the Party, at all levels, have shown to me, particularly over the last difficult months. The high standing our Party enjoys has also been demonstrated by the fact that messages of support during my illness have come from many fraternal parties, governments, liberation movements, cadres in the front line at home, and not least, from individuals throughout the world. This depth of concern and love so freely expressed has touched me deeply. I would like to say to all of you whom I have come to know and love over the many difficult years we have worked together, that your support and caring is what has sustained me. I am humbled to be the recipient of such devotion.

Our Party, whatever its weaknesses over the years, has also consistently been a great source of strength and power. This strength is rooted in the firm foundations laid, from the very beginning, the emphasis placed on a correct understanding of Marxism-Leninism and proletarian internationalism by all cadres; on the emphasis of education classes and the correct teaching of Marxism-Leninism to cadres; on the unqualified discipline and high level of commitment demanded from cadres, and in the unwavering loyalty and respect our Party has for the CPSU.

At this juncture in history, when the Reagan Administration is threatening the world with nuclear destruction, it is the fundamental task of communist parties and the international communist movement as a whole to awaken world public opinion and bring all their force to bear in the struggle to ensure people understand that the defence of peace lies in support for the Soviet Union and the world socialist movement. The unity of communist parties is vital to counteract the propaganda efforts and disinform-

mation of world imperialism, which is attempting to brand the Soviet Union as the enemy of humankind.

The years of painstaking work by the Party and the ANC are showing results. There is the continued tremendous growth of internal, organised opposition exemplified by, among other events, the momentous gathering in Cape Town during last month which launched the United Democratic Front. At the same time this growth of resistance imposes its own exacting demands on our Party. The gains achieved must be consolidated. The mass of our people are united as never before to engage in all-out battle for the overthrow of the apartheid regime. It is our task and our revolutionary duty to ensure that our proud history of struggle bears fruit; that guidance and direction is clearly given; that the universal truths of Marxism-Leninism are correctly understood in the context of our struggle.

Our strength in the past has been built upon the depth of our Party's and cadres' ideological knowledge and understanding. The fierce ideological battle being waged on many fronts must not find our Party wanting. It is in this context that we need to assess here today, and in our forthcoming deliberations, our weaknesses and strengths, our successes and failures. We must frankly, honestly and realistically provide direction for enhancing our work in the testing time that lies ahead.

Of prime importance is ideological work at every level. We need to critically assess our effectiveness in this key area. To what extent have we taken our policy and programme to the masses? To what extent has it become understood by the people as their own policy? Have we made sufficient efforts to ensure our own cadres understand the Party's policy in present-day conditions, and, with such an understanding, do our cadres have a clear idea as to his or her duty in carrying out allocated tasks?

Today, almost as never before, the South African workers are on the march. In this field a great responsibility rests on our Party. We are the revolutionary Party of the working class, whose clear role is that of the vanguard in the fight for socialism. The working class, in essence the black working class in our country, is the pivotal force in the struggle for a revolutionary overthrow of the entire apartheid system. As such our Party must place its main focus and emphasis in organising, uniting and giving clear guidance to this class, which forms the backbone of our struggle. Included in this task is assessing our strength and weakness in the trade union movement as a whole, assessing (re-defining if necessary) the role of Sactu, and ensuring our future working in this vital field meets the demands of the time.

The Botha regime, fighting for the very survival of Nationalist rule, has launched an offensive spearheaded by the creation of a President's Council, backed up by the constitutional proposals, the Koornhof Bills, and an all-out effort at the creation of a black middle class. It is our urgent task to ensure all-out mobilisation to defeat this new enemy manoeuvre.

In his "Analysis of the Existing Situation and Land Marks for the Future", given in an address to the Plenary Meeting of the Central Committee of the CPSU on June 15th, 1983, Comrade Andropov, General Secretary of the CPSU, said: "In politics one pays for one's errors. When the guiding role of a Communist Party weakens, there arises the danger of sliding back to a bourgeois-reformist way of development. If a Party loses touch with the people, self-proclaimed aspirants to the role of those who express the

interests of the working people emerge in the ensuing vacuum". We have witnessed the consequences of such developments in Poland. We, working in underground conditions of the harshest nature, must ensure that we leave no stone unturned in our efforts to create the conditions whereby our Party, the working class and the liberation struggle are one and the same thing.

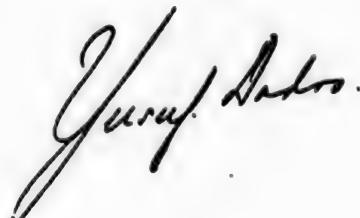
I have every confidence that this meeting will correctly analyse the present developments in our country and will establish guidelines and directives for our future effective working; will accurately assess the workings of our Party in keeping with the strengthening of our deeprooted alliance with the African National Congress and the armed wing of the liberation movement, Umkhonto we Sizwe; will look at the role of the Party in the present-day heightened imperialist offensive and ensure we continue to play our part in defending and strengthening the world socialist community, and, above all, will produce a programme of action that will enable our Party, our cadres and our people to be more than equal to the challenge that lies ahead.

I would like to say that throughout my life I have tried to serve my people, my country and the cause for which I have lived. There are many individuals who have greatly influenced me. Many incidents have contributed to my development as a communist and freedom fighter. Figures such as Malume, JB and Mick stand out as beacons, while over the years my thoughts never strayed far from those entombed, tragically for so long, on Robben Island and Pretoria Central, now Pollsmoor or even "whereabouts unknown". Our duty, in paying tribute to their selfless courage, is to go forward with renewed vigour, rededication and self-sacrifice, characteristics which have consistently been our hallmarks.

Finally, to all of you I hold so dear, I would like to express my heartfelt thanks and appreciation for the years of true comradeship and love we have shared. I have indeed been privileged to know you.

I wish this meeting every success in its deliberations.

Long Live the South African Communist Party!  
Long Live the African National Congress!  
Forward to Freedom!



Yusuf Dadoo  
Chairman, South African Communist Party  
19th September, 1983

SOUTH AFRICA

GERHARDT EXTRADITION TO GERMANY DISCOUNTED

Johannesburg THE CITIZEN in English 25 Jan 84 p 10

[Article by Tony Stirling]

[Text]

THE possibility of Commodore Dieter Gerhardt, former officer commanding the Simonstown Naval Dockyard, ever being extradited to West Germany is remote.

The West German embassy in Pretoria was yesterday unable to confirm details of a report in the local German newspaper, *SüdAfrika Rundschau*, that Cdre Gerhardt, recently sentenced to life imprisonment for spying for the Soviet Union, had officially asked the West German Government to institute extradition proceedings against him.

No charges

A spokesman for the embassy was able to confirm, as stated in previous Citizen reports, that Cdre Gerhardt was entitled to West German citizenship

by birth and in fact holds a West German passport in addition to one he held as a South African. However, he pointed out that for any proceedings for Gerhardt's extradition to start, it would have to be proved to a West German court that he had charges to face in that country.

The spokesman said he knew of no such charges against Cdre Gerhardt in West Germany, and there could be additional problems by virtue of the fact that he was a South African citizen. Even deportation — which would not require any similar court application in West Germany — would be a remote possibility since it was unlikely that the South African authorities would agree to deport a South African citizen.

South African sources were also unable to confirm that Cdre Gerhardt had made such a request.

CSO: 3400/591

ARCHBISHOP HURLEY QUESTIONS SA PRESENCE IN NAMIBIA

Johannesburg THE CITIZEN in English 25 Jan 84 p 3

[Text]

The head of the Roman Catholic Church in Southern Africa, Archbishop Denis Hurley, last night questioned South Africa's continued presence in Southwest Africa — and said he wondered what the Republic hoped to achieve.

In his keynote address to the annual plenary session of the Southern African Catholic Bishops Conference — the top executive of the church on the subcontinent — Archbishop Hurley also told of a brush with the police last year.

He referred to the "tragedy of the Namibian war" and the fact that South African troops were involved in "never-ending operations in Angola."

These, said the Archbishop, were ostensibly to neutralise Swapo.

"But in view of all that is said about destabilisation these days one can only wonder whether it is the whole story."

"Destabilisation is aimed principally at forcing South Africa's neighbours to deny assistance and facilities to the ANC.

"The conclusion that springs to mind is that a hardline will be taken in Namibia and Angola until South Africa has achieved its object in both these countries.

"And so the question arises: How much military action does this imply and what are the precise goals that South Africa hopes to achieve?"

He referred briefly to comments made by him about the SA Police specialist anti-terrorist broup Koevoet in South West Africa.

Koevoet has been getting such a bad press in recent months that a special effort appears to have been made on TV and in the Press to improve its image.

"I would say that the outcome has been somewhat ambivalent if we are to go by a statement attributed by the Press to a top general of the Police in which Koevoet is described as 'a cold, calculating, efficient and very

ruthless unit as far as the enemy is concerned,'" said the Archbishop.

He also referred to the attitude of the conference to the new constitution, because it excluded Blacks, and the conference's attitude towards the United Democratic Front and the National Forum.

The defined goals and intentions of the UDF, he said, agreed with positions taken by the Bishops Conference on the issues concerned.

Of the constitutional issue, he remarked that it continued to be difficult for many people to understand why the churches should be interested in politics.

"It is obvious that there is a need for ongoing efforts at clarification.

"People do not easily understand the distinction between, on the one hand, the pursuit and exercise of political power and on the other the fostering of an understanding of the moral values involved in political decisions, actions and policies in promoting the observance of such values."

CSO: 3400/591

## SOUTH AFRICA

### DEBT SUMMONSES INCREASE AT RECORD RATE

Johannesburg THE STAR in English 13 Jan 84 p 1

[Article in the "24 Hours" column by Michael Chester]

**[Text]** South African families are being hit by summonses for debt at the record rate of more than 64 000 a month as the screws tighten on the cash squeeze caused by the recession and higher interest rates on credit.

The overall amount involved in court orders to settle civil debts has soared above R18 million a month — 28 percent more than a year ago and double the toll in 1980 when the economic boom came to the rescue of household budgets.

The extent of the growing debt problem has been revealed in a quarterly review of civil cases carried out by Central Statistical Services, the government section which keeps a running record of economic trends.

Analysis of the final count for 1983 has yet to be completed but trends indicate that the number of debt summonses issued last year is likely to have hit a new peak at about 750 000 or even higher.

Moreover, the debt problem is steadily worsening as more and more families dip into their savings to meet their bills.

Mr Nico Czypionka, of the economic division of Standard Bank, reports that the level of savings out of overall income has slumped to its lowest since World War 2.

From double figures in most post-war years, it has now plunged to only 3.6 percent and threatens to stay on a downward curve.

Mr Adam Jacobs, at Volkskas, said still higher interest rates, plus the possibility of heavier taxation, were almost certain to cause an increase in the number of consumers falling into arrears on credit repayments.

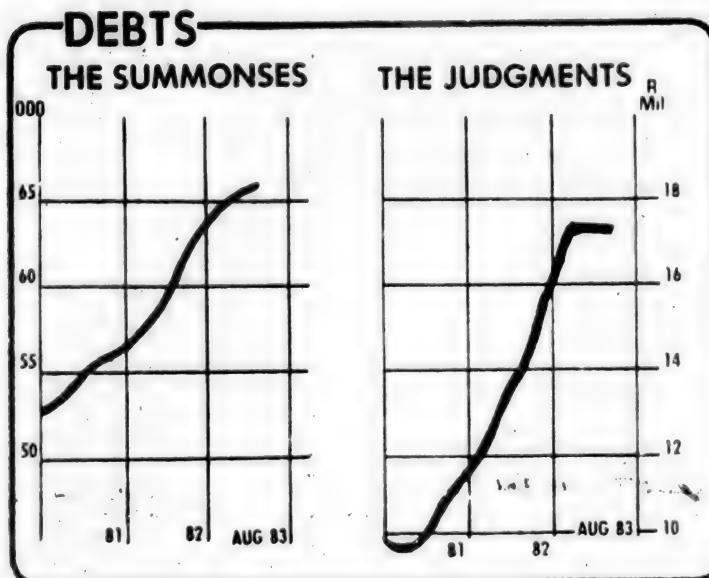
"Indications are that consumers will sink even more deeply into debt during 1984," he said. "The number of bankruptcies will also increase."

Economists expect the slide into debt will be worsened by the across-the-board 1.25 percent rise in mortgage bond rates to be introduced from February 1.

Mr Harry Schwarz, PFP spokesman on financial affairs, said the new year was bound to bring "an almighty hangover of unpaid bills".

Mr Ivor Jones, managing director of Kreditinform, adds: "The debt problem will get worse before it improves with an economic recovery. The full impact of two years of recession has not yet worked through the system and the 1983 toll of insolvencies among small firms without the experience to steer round financial problems will be the worst on record."

Dun and Bradstreet, which monitors the credit standing of about 70 000 firms in South Africa, confirmed it was being called in by more and more creditors to investigate the financial affairs of trade customers.



MASSIVE INFLOW TO CITIES FORESEEN

Johannesburg THE CITIZEN in English 27 Jan 84 p 21

[Text]

**STELLENBOSCH.** — Before the turn of the century, South Africa will probably experience massive urbanisation with as many as 20-million additional people making their homes in the cities.

Mr Gavin Relly, chairman of the Anglo American Corporation, made this point to the South African Federated Chamber of Industries in Stellenbosch yesterday in his address, "South African industrial enterprise, Quo Vadis?"

He said it was essential that this influx be seen as an opportunity rather than a threat. "Indeed, urbanisation is an essential concomitant of national industrial growth."

Up to 4-million new jobs would have to be provided to subsidise a reasonable social equilibrium.

"We will have to experience a growth in the gross domestic product (GDP) in the range of 4,5 percent per annum to 5,5 percent per annum if we are to subsidise a reasonably suitable economic and social climate in South Africa," said Mr

Relly.

This implies a growth of GDP from R79-billion in 1982 to R181-billion by the turn of the century, expressed in 1982 rands and a doubling of gross income from R51-billion to R113-billion and of disposable income (after tax) from R44-billion to R89-billion.

Mr Relly added: "Unless there are extremely favourable developments relating to gold production or prices, which we cannot rely on, the contribution of manufacturers to export earnings will have to grow from less than 19 percent in 1983 to over 40 percent by the year 2000, or at something like 8 to 9 percent per annum in an environment in which world trade may be growing at half that pace or less."

For industry to meet these demands, South Africa would have to have a trained, motivated workforce upon which it could rely, and the social structure of that workforce would have to provide a background of reasonable contentment and fulfilment. — Sapa.

CSO: 3400/591

## SOUTH AFRICA

### AUSTRALIA CHECKS FLOW OF SA IMMIGRANTS

Johannesburg THE STAR in English 13 Jan 84 p 8

[Text]

**BRISBANE** — For many the dream is over. Australia, land of opportunity, is closing its doors to the bulk of would-be immigrants, including South Africans.

By changing its policies, the federal government has drastically altered the traditional pattern, with the result that only people with very specific circumstances may now immigrate.

The change came into effect in April last year when the points system whereby the applicant's occupation, age, education economic prospects and other qualities are assessed, was restructured to favour people with relatives already living here.

In encouraging extended families to reunite, the government requires a guarantee of sponsorship from those relatives in Australia, thereby reducing pressure on the social services.

The result is that fewer unattached immigrants are being accepted, even for their job skills, and more people are coming from Asian countries.

The reason for this is that immigrants from some of the traditional source countries — Britain, Italy, Greece, Germany and the Netherlands — have been balanced out by Asians

who are taking advantage of the racially impartial immigration laws which have replaced the "White Australia" policies of the past.

Accordingly, Asians, who now comprise roughly 25 percent of new arrivals and are expected to total about 3.4 percent of the population by 1986, have more relatives ready and willing to join them than the longer-settled immigrants from Europe.

Also, a greater emphasis is being placed on refugees than in the past, with about 20 000 expected in 1984. Again, many will come from Asian countries.

About two-thirds of the 80 000 to 90 000 immigrants in 1984 will arrive either under the refugee or family migration plan.

Only about 2 500 will be admitted because their jobs are in demand. This contrasts sharply with 19 000 who arrived under the "jobs in demand" category during 1983.

But immigration numbers are not declining across the board. The big difference today, however, is not how many people qualify but how they qualify.

"We are one of the last countries for immigrants," Mr Tom Stratton, of the Department of Immigration, recently remarked. "Who else in the world wants people?"

South Africa is seen as another of the world's few places that does. Yet in 1982-83, some 3.3 percent of all immigrants to Australia migrated from South Africa, placing it sixth among the suppliers of people Down Under. (The first five countries were Britain, New Zealand, Germany, Malaysia and Thailand, with Hong Kong seventh.)

He was fortunate to have one of the few skills in demand.

There are, of course, other ways of getting into the country for those who are not specifically skilled, or have no relatives here or are refugees.

One way is to have R250 000 or more, and the ability to set up a business. This year about 2 000 families are expected under this programme. But how many people have R250 000?

Obviously, the many elements of the selection process can be, and are, adjusted and interpreted best to suit the government's current immigration priorities.

At the moment, however, those priorities seem to say: "We've got enough skilled workers for now. It's time to turn to separated families and to our disenfranchised neighbours of the world."

Twenty years ago it was "Asians, keep out!" Today it is "Asians, come in."

CSO: 3400/591

INCREASE OF TRIBAL STAKE BURNINGS SEEN LIKELY

Johannesburg THE STAR in English 14 Jan 84 p 5

[Article by Dirk Nel]

[Text] A law professor who has been researching tribal witchcraft says there are indications that killings like the stake burnings near Zebediela in the Northern Transvaal could be on the increase.

Professor J A van den Heever, of the University of the North near Pietersburg, has been studying tribal customs in Lebowa and Venda for several years.

He claims that attitudes in respect of witchcraft are deeply rooted in the cultures of many communities and cannot be eradicated artificially by law.

Professor van den Heever does not see a solution to the conflicts which have arisen between tribal customs and the legal order in South Africa.

"I seriously question the wisdom of sentencing so-called witchcraft offenders in South African courts," he told The Star. In

his opinion, witchcraft cannot be judged correctly outside its own environment.

He points out that巫doctors hold a special position in many communities, whereas various authorities often oppose the activities of the巫doctors.

"Court hearings are sometimes complicated by the refusal of some witnesses to testify against巫doctors," he explained.

"As in the Zebediela cases, so-called offenders sentenced in a court on murder charges cannot understand why they are being singled out because the decision to execute someone is usually made by the tribe."

Professor van den Heever said the idea of burning someone to death sprang from a tribal belief that this was the only way to destroy an evil spirit.

CSO: 3400/591

BUTI ASKS PW BOTHA TO UNBAN ANC, PAC

Johannesburg THE CITIZEN in English 24 Jan 84 p 8

[Text]

THE general secretary of the NG Church in Africa, the Reverend Sam Buti, has called for the unbanning of the African National Congress and the Pan African Congress.

In a strongly-worded letter to the Prime Minister, Mr P W Botha, Mr Buti said their unbanning would be a sign of reconciliation, and open the way for peaceful negotiation. If rejected, Mr Botha would have chosen a violent future for South Africa.

The solution for the "Black against White crisis" would not be found in the new constitution, the Black Local Authorities Act, detentions, bannings, or the "killing of political leaders."

He said Mr Botha had appointed Cabinet Ministers to liaise with Black local authority leaders about urban Blacks.

"Don't you realise, that in doing this you remain

trapped in a strategy of failure where your Government continues to operate within the framework of its unjust apartheid policy, and continues to listen to its own voice only instead of seeking to hear the real voice of the people."

Mr Buti said others in the government and White community defended their unjust and oppressive policies by claiming that the ANC and PAC were communist-controlled, which prevented discussion or negotiation with them.

But the truth of that could only be established after the ANC and PAC had the opportunity of a public platform in South Africa to state their cases.

In the meantime the Government was talking about reformation within the structures and policies of division, instead of accepting the concept of transformation, he continued.

CSO: 3400/591

POLL-REFERENDUM SITUATION EXAMINED

London THE AFRICAN COMMUNIST in English No 96, 1st Quarter 1984 pp 23-28

[Article in "Editorial Notes" section: "After the Referendum"]

[Text]

The great South African "constitutional" con has moved predictably to the end of the first act. In the time-honoured white South African tradition, the minority white regime decided for itself that the time for a constitutional revision had come. The black majority was not consulted. Solemnly the regime cobbled together a "constitutional" framework for a totally dictatorial state. Solemnly it went through a traditional white South African "democratic" charade consulting only itself and excluding the 81% black majority. Solemnly it declared a "majority" vote in favour of a white based power structure and the continuation of white rule — as though any other outcome had ever been possible. And solemnly it went on to describe its cosmetic proposals — for a Coloured and Indian puppet appendix to the white state — as "reform".

The referendum campaign itself was one of those epic Tweedledum-versus-Tweedledee pillow fights into which the white electorate enters with such enthusiasm — each side claiming passionately to be the only *real* defender of white South African baasskap, and each portraying the other as the betrayers of their god-given title to state supremacy. That the real issue in this referendum was whether institutionalised inferiority for Indian and Coloured minorities would be better or worse than the present non-institutionalised inferiority, only makes the absurd contest even more absurd. No one bothered to consult Coloured or Indian citizens on whether they wanted to become the constitutionally accredited "kitchen boys" of the white Parliament and President or not; and no one bothered that a decision would be reached by the white electorate alone. South Africa's "parliamentary" tradition was being honoured once again; the white politicians and electorate would decide what was best for blacks, and then tell them. Not even those scheduled for elevation to the rank of appendages to the white Parliament would be consulted or allowed to vote. What then was the bitter electoral shadow-play all about?

It is necessary first to appreciate that the fundamental South African issue — which determines all main aspects of politics, economics and social relations — is the issue of breaking the white monopoly of state power and extending power to the whole people. But on this central issue there is a white

consensus, a conspiracy. The issues of power, of majority government, or of universal participation in political affairs, are taboo. They are not to be discussed, raised or even contemplated in white electoral contests. Election struggles are to be restricted to subordinate and peripheral matters only. The recent referendum campaign was no exception to this pattern. All parties started from the absolute conviction, come what may, that white state power must be preserved. The campaign and vote therefore settled down into the comfortable and well trodden white South African disputations about how best — and who best — to ensure perpetuation of that power.

On this basic issue the electorate divided. The ruling National Party, led by Prime Minister P.W. Botha, campaigned for the new constitution, which provided separate and inferior "houses" for Coloured and Indian group representatives; these "houses" would be part of "Parliament", but with no prospect of ever exercising any real influence over any major white group decision. This change, the Party claimed, would enrol — perhaps the right word is conscript — 3½ million Coloureds and Indians in the white fortress, as camp followers, auxiliaries and ultimately no doubt as part of the army to be used as cannon fodder against the encroaching African majority. Countering this optimistic scenario, the extreme white-supremacist Afrikaner 'verkramptes' led by Dr. Treurnicht, took the pessimistic view — that *any* voting rights or parliamentary representation for *any* section of the blacks, even that derisory appendage proposed in the new constitution, would be the "thin end of the wedge" which would breach the ramparts of white power and throw the nation wide open to the black hordes outside the walls.

If any small flicker of libertarian or democratic principle was visible in this contest, it came from the mainly English-speaking Progressive Federal Party, the "official" Parliamentary opposition. After considerable temporising and agonising, and with some dissension in its ranks, the PFP finally resolved to oppose the proposed constitution because it contained no new dispensation for the African majority. Yet even here — in this "left wing" of white Parliamentary opinion — it should be noted that the concept that whites alone could decide the future of the blacks was never challenged; the challenge was to *what* the white regime proposed to do — not to the arrogation of decision making to the white minority alone.

Every South African election is fought out with an intense passion; bitter denunciations and slanders are flung about; meetings are broken up and speakers assailed with crude physical assault. And yet because these are essentially mock battles, fought over piffling points of triviality in the whole fabric of South African life, they almost always produce elements of farce. This referendum was no exception. It was characterised from the start as a mock battle, when the Prime Minister announced that even if the electorate voted NO the Government would remain in office unmoved. This mock-battle character of the issue produced also a farcical alignment of the arch-chauvinistic and fascistic verkramptes with the most liberalistic of the Parliamentary "left", the PFP; bitterest of enemies at one in a mock battle for a No-vote, each arguing passionate but diametrically opposed reasons for doing so.

In the end, of course, the white electorate voted as it always has: for naked self interest, and its perception of the best for white supremacy. Such

arguments of democratic principle or of long-term considerations as were advanced by the PFP for a NO vote were brushed aside even by their own supporters. Where the PFP is usually strong, the NO vote was weak. Only in the heartlands of verkrampte reaction was there a strong NO vote. With one fiercely verkrampte exception, every constituency in the country — rural and urban, English speaking and Afrikaans speaking — voted solidly YES. Two thirds of less than a million voters thus decided to conscript the 3½ million Coloured and Indian citizens to the laager, and lock the 21 million Africans securely outside.

Or that at least was the calculation. There can be little certainty that everything that the regime will do by way of bribery, corruption, intimidation or cajolery will in the end induce any Indian or Coloured leaders of stature or credibility to participate in the lower-tier basements of the white dominated Parliament; and still less certainly that they will be able to drag a credible numbers of voters to the polls in any such lower-caste elections as are held. These things remain to be seen in the next act of Botha's constitutional drama (or farce?), which will no longer be a mock battle between fundamentally agreeing whites alone, but a real battle between the white state and the Coloured and Indian people, for their real future. Botha's referendum victory remains still a paper victory in a mock battle, with the real battle still ahead — the white minority power against the growing black opposition.

Botha's announcement that even if the electorate voted NO, his government would remain in power unchanged not only emphasised the unreal nature of the contest, but also a confident assumption that nothing in the referendum campaign would change anything in the edifice of white South African power. That assumption has proved false. In fact — though such an outcome was never intended — the referendum has changed the shape of South African politics. The solid Afrikaner block, dominated by the National Party and its inner Broederbond caucus, which has held South Africa in its iron grip since 1948, has been split asunder. Top leaders of the Broederbond, of the Afrikaner church and politics — have defected from the fold and turned upon their compatriots. The National Party regime no longer rests on the bedrock of a united Afrikaner volk, but has been driven back into dependence on the unstable, shifting ideological sand of English-speaking support.

False too was the Botha assumption that prospects of status and office, even in the servants-hall of a white Parliament, would seduce first the Coloured and Indian leaders, then their people, out of the camp of black resistance. Those leaders who allowed themselves to be led into temptation — like the formerly popular leaders of the Coloured Labour Party — instantly lost all standing and support within their own community. Before even the referendum had been completed they became outcasts for agreeing to participate in the three-tier Parliament should it ever be convened. Their meetings were broken up in public denunciation; their speeches were drowned by protest, their claims to lead or to represent their community have been totally discredited. If they are still Coloured leaders willing to *serve* — the word is appropriate for the menial status — in the Coloured "house" under the new constitution, they are too few and already too discredited to carry the Coloured people with them. And thus far, no credible leader of the

Indian people has come forward to take the Uncle-Tom path to office, and few are likely to. Botha's referendum then has succeeded only in creating new weaknesses and strains in his own white camp, and further alienation of the Coloured-Indian people from his collaborators and camp followers in the black. The purposes of the referendum have thus gone fatally wrong, even while the voting appears to have gone so right.

There has been an orchestrated campaign from apologists for white South Africa abroad, and from traditionally anti-government English-speaking voters at home, to present the Government's constitutional proposals as a "reform", deserving sympathy and support — as a brave attempt by Botha to break the traditional white-exclusiveness mould of South African politics. There could be no more transparent a fig leaf to hide an indecent act of naked power-grabbing. There has never been any desire to "reform". Botha and his Party in 1951 wiped out the last remnant of Coloured voting rights in the Cape Province; their motives then were nakedly racist and white-supremacist. Today, in seeking to return Coloureds to the lower reaches of a white-dominated Parliament, their motives are still racist and power grabbing. What moves them is not a desire for reform, but fear. Unlike 1948, the regime stands under assault from all sides — from black trade unions and from mass popular resistance, uniting in such bodies as the United Democratic Front; and above all, from armed attack by the extending forces of Umkhonto we Sizwe and the ANC. It is fear for the future of white supremacy, not confidence, that has called forth the new constitutional proposals.

Botha stands like some latter-day Canute amidst the rising tide of mass resistance — vainly trying to turn the tide aside. As each magic incantation is tried and proved ineffectual — 'apartheid'; 'separate development'; 'Bantustan independence' — the regime begins to flounder, to cast about it desperately for firmer sand on which to make a stand.

But too late. The tide of South African liberation is rising to the flood; and nothing can now prevent that tide washing away the footholds of a regime whose time has passed.

#### **Presidential rule — Botha style**

There may amongst our readers be some who do not know the actual provisions proposed for the Botha 'constitution'. Indeed, these are more far-reaching than just the matter of the three-tier Parliament. What is in fact being proposed, along with a three-tier Parliament, is a recipe for the dissolution of that Parliamentary form of government which has existed since the Act of Union in 1910, and the substitution of a quasi-Presidential form of government, which will be able to slip easily into a crude dictatorship outside of Parliament. This too represents Botha's preparation for the next step of a drowning regime — backward into open police-cum-military rule, and final abandonment of the South African pretence to be a democracy.

The provisions of the constitution will include the following: Parliament will have three "houses", elected respectively by whites, Coloureds and Indians. A state President will be picked by an Electoral College of members of all three "houses" — 50 white, 25 Coloured and 13 Indian. Each "house" will elect its own representatives by majority vote; thus the white majority

party will effectively control the election of the President. The President will appoint a Cabinet of members of any of the three "houses", or from outside the "houses" (subject to such an appointee becoming a member of a "house" within a year.)

He will also appoint a Ministers Council for each "house". Members of Ministers Councils will only hold portfolios for "own affairs" — that is matters exclusively affecting their own racial group.

There will be a President's Council, comprising 20 members selected by the white "house", 10 by the Coloured and 5 by the Indian, an additional 15 President's Councillors appointed by the President, and a further 10 selected by the "houses" by proportional representation, in the ratio of 6 white, three Coloured and one Indian.

The President's Council will advise the President on matters of public interest, excluding draft legislation. It will, when asked to do so by the President, arbitrate between "houses" in matters of dispute on "general affairs" — that is, bills other than "own affairs" bills. The President need not act on the advice of the Council, unless he has asked the Council for a ruling. The President will determine which matters are "own affairs" and which are "general affairs." "Own affairs" bills will not be dealt with in any way whatsoever by "houses" other than that whose "own affairs" it is.

**Democratic reform — white South Africa style!**

CSO: 3400/605

## CONSTITUTION PLANS CONFUSED BY INDIAN REFERENDUM

Johannesburg THE CITIZEN in English 26 Jan 84 p 11

[Article by Jaap Theron]

**[Text] GOVERNMENT'S** determination to implement the new constitution early in August or September this year is being upset by the Indian Council's decision to hold a referendum on the matter instead of an election.

In Government circles, it was initially expected that the new three-tier parliamentary system would have been formally introduced early in July this year, but technical problems such as the testing of the Indian population's opinion and its Moslem section's religious Ramadan festivities

during May and June, have moved the target date to August or September.

An election by the Indian community — electing its representatives for the new parliamentary system — would have allowed the new system to be established within these target dates.

If the new parliamentary system was established by August, the forthcoming parliamentary session could have continued until then.

However, it now appears that parliament will have to convene again in September or later, in order to establish the new system.

The government, nevertheless, has a number of options regarding the establishing dates.

It could, for example, decide to hold an election and a referendum for the Indians on the same date. Such an arrangement will meet the earlier target date. Or it can decide to hold the election some time after the referendum. This will obviously delay the inclusion of Indians into the new system.

The risk of holding a referendum and an election on the same date is that the "no's" could win the referendum whilst all representatives are elected under a system

which would be rejected by such a vote.

The Natal and Transvaal Indian Congress Parties as well as the UDF have called upon Indians to vote "no" as these parties prefer a referendum to an election.

Another possibility is to establish the new constitutional system in August or July — but at that stage only introducing the White and Coloured chambers — postponing the introduction of the Indian chamber until later.

Whatever the final outcome, it was clear yesterday that the Indian council's decision has confused government planning.

## SAIC Referendum Move Welcomed

**CAPE TOWN.** — The Progressive Federal Party yesterday welcomed the decision of the South African Indian Council to call for a referendum to decide on participation in the proposed new constitution.

In a statement issued in Cape Town, the PFP

spokesman on internal affairs, Mr Pierre Cronje, said all Indian political groupings saw the proposed constitution as a totally unsatisfactory permanent dispensation.

"A referendum will however determine

whether the Indian community wish their leaders to negotiate for a better deal from within," he said.

The decision by the Natal Indian Congress and other political parties to take part in a referendum would give credibility to

the outcome but then only if all parties were given equal access to radio and television.

Mr Cronje said the recent unbanning of a number of prominent Indian leaders, some after periods of almost 20 years, had set the stage for an interesting debate.—

NATAL INDIAN CONGRESS CALLS FOR 'NO' VOTE IN REFERENDUM

Johannesburg THE CITIZEN in English 27 Jan 84 p 4

[Text]

DURBAN. — The Natal Indian Congress would demand an emphatic and resounding 'No' vote from the Indian community in a referendum on the new constitution, Mr George Sewpersadh, an executive member of the Nic, said yesterday.

The Nic has called for a referendum to be held to test the attitude of the Indian community.

Speaking at a Press conference at which the Nic spelt out its policy, Mr Sewpersadh said they were confident that the Indian community would reject the Government's new deal of a tri-cameral Parliament. His organisation would campaign for a 'No' vote.

Mr Sewpersadh said the new constitution was formulated by a White minority without the participation of the other people of South Africa. The constitution was de-

signed to maintain apartheid, albeit with a new face, and to break the unity of Indian, Coloured and African people.

He said the Nic viewed the constitution as a strong challenge to the Indian community.

"This community is being asked to become a junior partner in the crimes of apartheid against the African majority."

The Nic, he said, challenged the government to refrain from the use of all forms of intimidation and harassment in a referendum.

"There must be total freedom of speech, meetings must not be banned, open-air meetings must be allowed, the security police must stop all harassment. Without these guarantees, any referendum will be a farce." — Sapa.

CSO: 3400/592

PINETOWN BY-ELECTION CAMPAIGN INTENSIFIES

Johannesburg THE CITIZEN in English 27 Jan 84 p 11

[Text]

DURBAN. — The Pinetown Parliamentary by-election is hotting up with both the Progressive Federal Party (PFP) and the New Republic Party (NRP) bringing in extra workers to assist in their campaign.

The PFP is elated at its lead in postal votes where it claims it has lodged more than 650 by yesterday. The NRP appears to be trailing behind in postal votes and has only registered about 85.

However, the NRP candidate, Mr Frank Martin, the veteran Natal politician, says he is not unduly concerned that he is lagging in the postal vote race.

He said it has happened to him in previous elections and he believed that postal votes would soon come in from Johannesburg, East-London, Cape Town and Pretoria.

In spite of the lead in postal votes by the PFP, the NRP appears to have a majority in special

votes. About 70 special votes were lodged with the returning officer yesterday and the NRP claims it is processing another 350.

The PFP attributes its lead in postal votes to the superb work done by its party machine.

The PFP candidate, Mr Roger Burrows, who was secretary of the Natal Teachers Society, is being backed by an enthusiastic band of workers.

Also, many of the PFP "big guns" have visited the constituency. They include the national leader of the PFP, Dr F van Zyl Slabbert, Mrs Helen Suzman MP, Mr Colin Eglin MP and Dr Marius Barnard.

Mrs Suzman drew the biggest crowd at a meeting in the constituency in the Westville Civic Centre on Wednesday night when about 165 people attended.

News by Jim Clarke, 5 Kensington Drive, Durban North.

CSO: 3400/591

**SOWETO COUNCILLOR'S HOME FIRE-BOMBED AGAIN**

Johannesburg SOWETAN in English 19 Jan 84 p 1

[Text]

**ANOTHER Soweto Town Councillor's house has been petrol-bombed and police believe the attacks are politically motivated.**

Two petrol bombs were hurled at the house of Mr Patrick Gaboutloelo, the Emdeni councillor at about 2am yesterday. Both bombs exploded on the stoep and the fire was extinguished before it caused damage.

This is the second time Mr Gaboutloelo's house has been attacked by arsonists. The first time was two months ago when the bomb was thrown in through a bro-

ken window. Damage was slight in that instance.

Police yesterday confirmed the bombings. Brigadier J J Viktor, the CID chief in Soweto, said he believed the attacks were of a political nature.

"A dissatisfied group among the community is behind the bombings," he said. "However, we are not pointing fingers at any group as yet."

Brigadier Viktor said investigations have revealed that the same group was responsible for the attacks on two other councillors.

The two, Soweto

mayor Mr Ephraim Tshabalala and Mr I B Mashao of Dobsonville, were victims of the petrol bombs this week. Diepmeadow town council mayor Mr Joseph Mahuhushi's house was also gutted by arsonists late last year. He is presently staying at temporary lodgings next to his council chambers in Meadowlands, while his house is being rebuilt.

According to Mr Gaboutloelo, he was sleeping when he heard two big bangs. He jumped out of bed and rushed to the children's room. He dragged them into the main bedroom.

CSO: 3400/592

RESUMPTION OF SISULU TRIAL REPORTED

Johannesburg SOWETAN in English 24 Jan 84 p 3

[Text]

THE trial in which Mrs Albertina Sisulu (66) and a Soweto school teacher, Mr Thami Malli (27), have pleaded not guilty to furthering the aims of the banned African National Congress (ANC) resumed in the Krugersdorp Regional Court yesterday before Mr T J le Grange.

The trial was delayed for several hours before it got underway while an interpreter was being sought to interpret in the cross-examination of an expert witness, Mr Izak de Vries, a Rand Afrikaans University lecturer in political science.

This followed an indication by Mr De Vries when Mr George Bizos, SC, for the defence, was about to start questioning him on his evidence for the State that he would prefer to be cross-examined in Afrikaans.

Mr Bizos said he wanted to put his questions in English. He argued that Mr De Vries had been cross-exam-

ined in English in previous trials and had been willing. Further, he said, his sources of information as an expert witness was in English.

When the trial resumed at about 2.45 pm the court was informed that no interpreter was available and Mr Bizos proceeded to ask his questions in English while Mr De Vries replied in Afrikaans.

In reply to questions put to him, Mr De Vries agreed that the colours, black, green and gold were not exclusively used by the ANC, but other groups as well.

He also agreed that Nkosi Sikeleli Afrika was contained in a Methodist Church hymn book. He said he did not have an experience of township life and could not tell if an average resident regarded the black, green and gold colours to be of Azapo, Inkatha, or as national colours.

CSO: 3400/592

ACC, AYCO LEADERS DETAINED BY SECURITY POLICE

Johannesburg SOWETAN in English 24 Jan 84 p 3

[Article by Sello Rabothata]

[Text]

**FIVE executive members of the Alexandra Commuters committee (ACC) and the Alexandra Youth Congress (Ayco) were allegedly detained by the Security Police in a dawn raid at their homes yesterday.**

The detention of the five yesterday brings to eight the number of people known to have been picked up by the Security Police since last week. Those who were arrested last week are Mr Jacob Mtshali, secretary general of Ayco, Paul Moshatile, president of Ayco, and Nesto Kgobe, the treasurer.

According to a spokesman for the ACC, those who were detained yesterday are Mr Mike Beea, chairman of ACC, Mr Mac Lekota, vice-chairman, Miss Naomi River, publicity secretary of Ayco, Mr Patrick Banda, the organiser and Mr Obed Bopelo.

The public relations division of the South African Police in Pretoria yesterday said they could not confirm the detention of the persons mentioned as yet in terms of security legislation.

Reverend Abel Moleke, of the local Methodist Church, was also one of those who were visited by the Security Police at about 3 am yesterday. He said there were three white policemen who "searched all the rooms thoroughly and went through every book" before leaving with his typewriter and rolling machine.

The ACC spokesman said: "Five of our people were arrested by the Security Police at about 1 am. We totally deplore the interference of the police in the bus boycott and we demand the immediate release of all those who have been detained."

CSO: 3400/592

INDEBTEDNESS OF GENERAL SEBE REPORTED

Johannesburg SOWETAN in English 24 Jan 84 p 2

[Text]

**CISKEI's former all-powerful head of security, Lieutenant General Charles Sebe, is almost penniless and has had to sell a luxury car to pay his debts.**

General Sebe, who has been in detention for six months and is facing charges of terrorism, has appealed to Amnesty International for aid to meet legal costs.

Mr Dennis Kirk, General Sebe's attorney, confirmed that General Sebe's financial position was critical and his Mercedes Benz had been sold to pay debts.

"General Sebe earned a considerable salary as head of Ciskei's security force but like most of us today has also had extensive outgoings."

General Sebe's only source of income at present was a nominal amount from a farm being run by his wife.

Mr Kirk said a London-based representative of Amnesty International, Mr M Smart, had informed him the request for aid was being considered.

**FUNDS**

Although Amnesty did not provide financial legal aid it could act as an intermediary to try to raise funds, Mr Kirk said.

Meanwhile a State application for the withdrawal, cancellation and estreatement of the R10 000 bail of Ciskei's former Minister of Transport, Mr Namba Sebe, was made in the Zwelitsha Magistrate's Court yesterday.

**BAIL**

Advocate P Oosthuizen, SC, argued that Mr Sebe had broken a bail condition by leaving Ciskei and travelling through South Africa to reach his Frankfort farm.

Mr Sebe, who is facing charges of fraud and corruption, was re-detained last week under section 26 of the National Security Act.

Mr J C F Froneman for Mr Sebe, announced he would apply for a change to the bail conditions to allow Mr Sebe to travel to King William's Town and to his farm.

## LIBERTY LIFE WORKERS REJECT UNION

Johannesburg SOWETAN in English 19 Jan 84 p 2

[Article by Joshua Raboroko]

[Text]

**WHITE, coloured and Indian employees at Liberty Life Company are not prepared to join the Insurance Assurance Workers' Union of South Africa (Iawusa) — despite management's dispute with the union that it must open ranks to other races.**

The SOWETAN yesterday had a snap check with workers — and not one of the white employees was prepared to join the union.

Nearly five months have passed since Liberty dismissed about 89 black workers who went on strike in a dispute over the company's refusal to recognise Iawusa because it is a blacks-only union.

One worker who claimed that he was from Britain and had lots of experience about unions, said: "My experience is that unions can wreck the company's strength. I am here to work and have nothing to do with any union — whether black or white."

Another worker said she was not interested in trade unions — whatever their affiliations.

Two women who are typists said that they had never heard of a trade union within the company's ranks. It was the first time they heard about it when the black workers went on strike.

"Listen, if we want pay increases and have grievances we shall al-

ways go to the manager to complain. What is wrong with that? The manager has always said his doors are open so why can't the blacks do the same?"

"There is just no way we can belong to the same union as blacks. We have different interests — politically, socially, morally and even culturally — so why should we belong to the same union," a worker said.

Iawusa's president, Mr Joe Seoka, said that they were considering calling for a boycott of all companies associated with Liberty.

The SOWETAN will meet a top official of Liberty today who will comment on the issue.

CSO: 3400/592

LEKOTA KICKS OFF UDF SIGNATURE CAMPAIGN

Johannesburg SOWETAN in English 23 Jan 84 p 3

[Article by Alinah Dube]

[Text]

**ABOUT 2 000 people attended the launching of a United Democratic Front (UDF) one million signature campaign in Soshanguve yesterday.**

In his key address the publicity secretary of the organisation, Mr Patrick "Terror" Lekota told a packed Roman Catholic Church that the UDF had chosen to launch the campaign in Pretoria to "illustrate symbolically to the South African Government that blacks still fought and opposed the laws of this country."

He pointed out that the people would continue making sacrifices for as long as they were not involved in the decision-making bodies.

Mr Lekota said the detention of the secretary-general of the Southern African Catholic Bishops' Conference (SACBC), Father Smangaliso Mkhathwa, showed that a particular section of God's agents was to be systematically mowed down. He said

the move by the Ciskeian police had indicated how far it had deteriorated.

Professor Ishmail Mohammed said South Africa was in a crisis and that the black people wanted to rule their country and were also demanding the right to determine their destiny. He said people were not to be deterred by the regime which acted against the black leaders.

The campaign was said to be a declaration that apartheid was rejected, the struggle and unity of people against the evils of apartheid were supported and that the people stood for the creation of a non-racial democratic South Africa free of oppression, economic exploitation and racism. The new constitutional plans were also rejected.

The president of the UDF Mr Oscar Mpetha, was also present at the launching.

CSO: 3400/592

## KWAZULU'S PENSION FUND DEPLETED

Johannesburg SOWETAN in English 23 Jan 84 p 2

[Text] **KWAZULU's pension budget has dried up — with more than 50 000 old age pension applications waiting for approval and the number is increasing.**

The homeland will need a 100 percent increase on its pension allocation in the next financial year, due in April, if it is to cope with the demand.

If the applicants do get their pensions, they will only be effective from April, regardless of when the pensioners applied, as KwaZulu, unlike the central Government, does not backdate pensions to the date of application, a spokesman for the Black Sash says.

KwaZulu's budgetary allocations, like those of other homelands, are the responsibility of the central Government. Although this year's pension allocation is five percent above last year's, KwaZulu, in the eighth month of its current financial year, has more than 50 000 applications that cannot be processed be-

cause money has run out.

The applicants will have to wait and see what negotiations between KwaZulu and the Government yield when the next financial year commences in April this year and by then the number will be much higher.

"It's a very sad situation," comments KwaZulu's Secretary for Health and Welfare, Dr Margaret Chuene. She says they have always had a backlog: "But we now have a terrific backlog. It's a very serious issue because every citizen is entitled to a pension."

Dr Chuene says the number of applicants will be much more than the 50 000 by next April as many people are coming forward to apply for pensions. Presently, 174 000 are drawing old-age pensions in KwaZulu.

The Black Sash has blamed the Government. The plight of the pensioners, the Black Sash says, has resulted from Government policies.

One of the reasons for the poor allocation is that in the past many

pensioners used to forego collecting their pensions partly because of ignorance and many people were not aware they had reached pensionable age.

Pretoria worked on those figures to set the budget and budgetary increases and this has given a distorted picture in the light of the changing situation mainly because of the activities of organisations like the Black Sash and pensioners being made aware of their rights.

Dr Chuene says the situation is exacerbated by the Government's policy of moving settled communities to KwaZulu with the result that pensioners arriving in KwaZulu with their families are not transferred with their pensions.

"The result is you find many people suddenly flooding the national states and they have to compete for pensions with other applicants," she says.

"Another reason is farm labourers are thrown out when they're no longer productive and the farm-

ers do not make any provision for their old-age pension. This creates a tremendous burden on our finances."

Dr Chuene says the pension problem resulting from mass removals was not unique to KwaZulu.

"It's a chronic problem with all the national states," she says.

"We're negotiating with the Republic at the moment and the problem will be solved the day they understand the story behind the backlog.

"We need an increase of about 50 percent so that every pensioner can be paid."

Mrs Jill Nicholson, of the Black Sash, says the problem experienced by pensioners in KwaZulu is the direct consequence of the policies of the Government.

"The South African Government, whether it likes it or not, is legally bound to pay pensions to every South African. Its policies are resulting in this enormous inflow into KwaZulu and they must pay."

Mrs Nicholson says the KwaZulu authorities, if they want to, can easily demand repayment from the Government for every pension paid out.

"The South African Government is ultimately responsible because KwaZulu is not independent and all those people are South African citizens."

Says Black Sash president Sheena Duncan: "If the homeland governments have no money, then the South African Government must provide it because it is South African law they're operating under."

Early last year, KwaZulu's former secretary for health, Dr

Modercai Gumede, appearing before the Sessional Committee on Public Accounts on his department's unauthorised expenditure, said pensions had always been his department's "lifesaver".

"It was a quick way of saving," he admitted because pensions were not collected and these were subsequently dropped by the computer. If a pension had not been paid after the second pay period, the computer would automatically cancel it out. This meant money earmarked for pensions, when not collected, could be used for other purposes such as the purchase of medicines.

CSO: 3400/592

## SIX BLACK TOWN COUNCILS INAUGURATED

Johannesburg SOWETAN in English 19 Jan 84 p 3

[Text]

**SIX town councils in the Transvaal and Free State were inaugurated yesterday under the Black Local Authorities Act.**

The town councils are: Diepmeadow, Dobsonville, Lekoa, Katlehong, Thokoza and Bohlokong.

The councils were inaugurated by Cabinet Ministers, including Dr George de V Morrison, Deputy Minister of Co-operation and Development and Mr B H Wilkens, Deputy Minister of Development and Land matters.

At the induction of the Dobsonville Council, the mayor of Alexandra, the Reverend Sam Buti told the councillors: "There are those who will criticise you and call you sell-outs and Government stooges. These are cheap words.

"They will kill you, they will bomb you and they will curse you but you must never lose courage," he said.

The mayor of Diepmeadow, Mr J C Mahu-

bushi, said his council would strive to get more land for housing and for a railway line linking Diepkloof to Johannesburg.

"We no longer want to hear of projects being suspended indefinitely while Ministerial approval is being sought," he said.

Dr Morrison urged that people should use their right to vote: "Failure to vote may result in the minority who vote making changes that are not wanted by the majority," he said.

In Katlehong, two newly elected members of the council boycotted the inauguration because, they said, the new Act was as useless as the old Community Council. The two are Mr E A Sukazi and Mr M J Khoali.

In a statement the two said: "Until such time we are given real powers to govern ourselves we feel that at the present moment we are still working in the dark."

CSO: 3400/592

ATTERIDGEVILLE MAYOR LASHES VIOLENT 'ELEMENTS'

Johannesburg SOWETAN in English 26 Jan 84 p 2

[Article by Monk Nkomo]

[Text]

**THE anti-community council elements fearing that the new town council might usher in an era of consultation and conciliation, have now embarked on missions of intimidation, violence and arson, Mr Z Z Mashao, the new mayor of Atteridgeville said this week.**

Speaking at the inauguration of the local town council by Dr G de V Morrison, Deputy Minister of Co-operation and Development, Mr Mashao said that these groups proclaimed themselves the champions of democracy "and yet they seek to deny other the freedom of speech and the freedom of association which is a corner stone of the democratic system."

He said: "Their public statements and their publications abound with destructive generalities and hollow promises of utopia and they seek to destroy those with constructive practicable alternatives. Their aims and their methods they apply to achieve their goals are the great-

est threat to the unity of our people.

"Those of us who made ourselves available for election did not do so because we are stooges or because we agree with every detail of Government policy.

"Neither did we do so because we seek clarification or self-enrichment. We see in the new councils an opportunity to focus attention on the many needs of our society and to address those problems with all the means at our disposal.

"We also see the possibility for negotiations at the highest level so that during the process of change which must inevitably come, the interests of our people continue to enjoy their attention which they deserve.

Mr Mashao also stressed that his council's most important objective was to utilise every available piece of land at their disposal for the erection of houses and flats in an effort to alleviate the township's acute housing shortage.

SOUTH AFRICA

FAILURE OF HOMELANDS POLICY NOTED

Johannesburg SOWETAN in English 26 Jan 84 p 6

[Editorial]

[Text] The truth has finally been spelt out for the oligarchy that the homeland policy has been proven a failure. This inevitable conclusion has been reached by Mrs Betsie Verwoerd, wife of the architect of grand apartheid, the late Dr Hendrik Verwoerd.

Much as we know that the Government is obviously chagrined by this disclosure in a book, Witman, waar is jou tuisland? co-authored by Mrs Verwoerd, her son and other members of the family, we know that they have been battling in vain to perpetuate an invalid policy.

Mrs Verwoerd's argument is that it has failed to address the "problem" (and we put this in parenthesis) of the black majority in this country. She argues that the aim of the policy inchoated by her husband was to allow blacks into white South Africa only as guest labourers but to compel them to practise their political rights in the homelands was never carried out. White dependence on black labour gave blacks an irreversible permanence in white South Africa, she argues.

She makes a paradoxical statement when she points out that the process set in motion when blacks obtain permanence in white South Africa because of their indispensability as labourers will end in black political representation at the highest government level.

We wish to draw the attention of Mrs Verwoerd and those of her ilk to the fact that the policy was doomed to failure right from its inception. Whatever its motives it was abortive if only for its immorality and impracticability. Even its geographic planning nullified its probabilities. In short, the homeland policy's chances of success were, from its inception, carted to the remotest figments of imagination. And you must have a weird imagination to believe in the feasibility of such a policy.

We will not try and offer alternatives on how such a policy would have survived because we do not agree with its basic tenets--to divide the black masses in pursuit of the scheme of divide and rule.

Mrs Verwoerd (and those of her ilk) should know that it is an inalienable right of the workers (labourers) to have political representation. And it is inevitable that representation at the highest government level will be achieved. As she points out, white dependence on black labour gave blacks permanence in their country. We want to drum it down her throat that to think otherwise is a fallacy.

South Africa, we still maintain, belongs to all South Africans irrespective of creed or colour. To imagine that millions of natives can be carted to barren lands where they can "exercise their political rights" is the height of absurdity.

By the very nature of the land distribution--13 percent to the black populace and 87 percent to the white minority--the policy was doomed to failure. Bring in the fact that economically and agriculturally the 13% allotted blacks is uncondusive to farming, it is clear that blacks could not be kept in these homelands.

White South Africa remains the industrial nerve centre of the continent and one of the highly advanced in the world, the dependence of whites on black labour in indivisible from the economic growth of the country.

CSO: 3400/592

SOUTH AFRICA

**FAILURE OF FIRST LEGAL STRIKE OF BLACK WORKERS NOTED**

Johannesburg SOWETAN in English 23 Jan 84 p 7

[Text] The failure of this week's first legal national strike of black workers will lead to increasing pressure on the Government to provide legislation protecting strikers from dismissal, prominent trade unionists have warned.

The strike ended after less than a week on Friday when the employers threatened to dismiss all those on strike.

Trade unionists said the stand by AECI against almost 9 000 of its workers, "lays open the issue of whether it's worth going through the lengthy, time-and-money consuming process of having a legal strike".

The only protection workers who strike legally have is that they cannot be arrested. But a prominent trade unionist said both employers and workers had realised a legal strike could lead to mass dismissals.

Fosatu, for example, is increasingly introducing a clause in recognition agreements that protects workers for a certain period during a strike from dismissal.

Labour activists will increasingly press for some reform to the Act to prevent mass dismissals, or such threats of striking workers, or will agitate for a time period to be stipulated.

The last week has seen intense union activity around the country and a wave of strikes, dismissals and retrenchments.

.Impala Platinum refineries started the week by dismissing their entire black workforce of 1 400 which had gone out in sympathy with seven co-workers who were fired after refusing to work after allegedly being assaulted and called "kaffirs" by white supervisors.

.Three hundred workers went on strike at the Wayne Rubber Company in Isipingo demanding a 12 percent pay hike. By Wednesday agreement was reached and the workers returned.

.In Pretoria, about 1 500 workers downed tools at the BMW factory in support of pay demands. Negotiations will begin on Monday.

.Up to 800 workers went on strike at the Rietspruit colliery near Springs in support of a worker fired after a prearranged work stoppage to mourn two fellow workers who died in an accident at the mine the previous week.

CSO: 3400/592

SOUTH AFRICA

BLACK UNION PLEDGES TO FIGHT FOR RIGHTS

Johannesburg SOWETAN in English 23 Jan 84 p 3

[Text] Black workers shall not face another 100 years of victimisation and harassment while the minority in this country go to their homes daily with smiles all over their faces.

This was said by Mr Mbulelo Rakwena, president of the Black Electronics and Electrical Workers' Union, addressing a gathering of over 350 workers during an inaugural meeting of the Black General Workers' Union in Seshego near Pietersburg on Saturday.

He said millions of blacks with hungry stomachs and with no place to live in will make sure that black unions are fortified and made strong to meet the challenges of the day.

"We are here to make sure that what rightly belongs to us is not given but is worked for tirelessly through our own created trade unions.

"This union inaugurated here in Pietersburg shall remain black in all form and it shall not seek a saviour to build unity amongst the ranks of the black exploited workers as this yoke we shall remove ourselves," Mr Rakwena said.

Mr Sefako Nyaka, secretary-general of Azapo, told the gathering that the struggle should not end at factory floor demand. "It should go beyond that to demanding our land back and our demands should be made within our communities.

CSO: 3400/592

SOUTH AFRICA

PROFESSOR BOSHOFF DETAILS SABRA'S ROLE, PLANS

Johannesburg THE STAR in English 19 Jan 84 p 6

[Article by Sue Leeman]

[Text] Although stripped of its annual R70 000 State subsidy, the South African Bureau of Racial Affairs (Sabra) is pressing ahead with its research programme, according to the chairman of the rightwing organisation, Professor Carel Boshoff.

In July last year the Government cut off further grants to the body after the rejection by Professor Boshoff and others of the new constitution.

This led to a spate of resignations from Sabra and speculation that the organisation could soon be in deep water both financially and numerically.

However, this week, Professor Boshoff--whose stand toppled him as head of the Afrikaner Broederbond--denied that Sabra had been too seriously affected.

"We are receiving a lot of regular open support from the public, including donations which range from R20 to R500."

But there have not been gifts of the magnitude of those of the former Speaker, Mr Henning Klopper. Last year he gave Sabra three farms valued at a total of R500 000, and pledged a further R25 000.

Membership, according to Professor Boshoff, is increasing steadily, although he won't commit himself to an estimate of the number of registered members now on Sabra's books.

"At our last meeting in 1983 we received word of a couple of hundred new members, an encouraging sign."

Letters of "appreciation" are also being received from English speakers, he says.

"We have no feeling of isolation."

Although Sabra has taken a firm stand against the new constitution, he quickly points out that there are still areas of consensus between Sabra and the Government.

"We still go along with the Government's policies on decentralisation, regional development and the establishment of national states."

In the future he sees Sabra playing a leading role in "promoting healthy relationships as well as the speeding up of separate freedom for the black peoples".

Although Sabra believes the new constitution is scheduled for collapse, he says, Professor Boshoff says its ultimate failure is destined to reunite the Afrikaner nation politically under a "conservative banner".

New emphasis will then be placed on Sabra.

CSO: 3400/591

CONSERVATIONISTS WELCOME DRAKENSBERG REPRIEVE

Johannesburg THE CITIZEN in English 27 Jan 84 p 10

[Text]

DURBAN. — The statement by the Department of Environmental Affairs in Cape Town yesterday that it would not allow prospecting in the Drakensberg area, has been welcomed by conservation groups in Natal.

Referring to the recent application by a Randburg, Johannesburg, firm to prospect in the area, the Department pointed out that the application was not made to mine the area but was made on the grounds of conducting a geological survey.

The statement said the Department would not allow prospecting which disturbed the vegetation or would erode the ground surface in the area.

The MEC in charge of the Natal Parks Board, Mr Dering Stainbank, said yesterday that he welcomed the move. Earlier this week Mr Stainbank said he would raise the question of prospec-

ting in the Drakensberg range at government level.

A spokesman for the Wild Life Association said it was delighted at the Department's decision. He said it would have been a tragedy to allow prospecting in one of South Africa's most beautiful nature areas.

Last week when news of the application was revealed it was also bitterly opposed by Mr Ian Player, the worldrenowned conservationist and Mr John Geddes-Paige, Director of the Natal Parks Board.

Several Natal MP's and MPC's also expressed bitter opposition to the scheme.

It was learnt earlier this week that the Johannesburg firm had subsequently withdrawn its application to prospect in the area.

CSO: 3400/591

REACTIONS TO HIGHER SALES TAX GIVEN

Economic Forecasts 'Gloomy'

Johannesburg THE CITIZEN in English 25 Jan 84 p 6

[Editorial: "Higher GST"]

**[Text]** NOTHING the ordinary man can say will make any difference.

The Government has overspent by R1 400-million.

There is the economic recession.

There is the drought.

There is the fall in the gold price.

There is the increase in defence spending.

There is the higher pay for public servants.

There is the referendum and the provisions that have to be made for the new three-chamber Parliamentary system.

The Minister of Finance, Mr Owen Horwood, spells it out.

"There can be no doubt that the South African economy is at present in one of the most difficult phases since the Great Depression.

"This situation is a result of the prolonged economic downswing experienced throughout the world and the inability of the economies of our most important trading partners to register an early and meaningful recovery."

In South Africa this had been aggravated by, among other things, "the consequences of the worst drought in living memory, a rapidly declining gold price and a constant weakening of the rand-dollar exchange rate, and by higher than budgeted expenditure on essential services, despite the Government's determined policy of financial discipline.

"The most important of these expenditures which, in fact, are unavoidable, are in respect of drought relief, defence and the servicing of the public debt."

Well, there you have it. Everything unavoidable.

Some economists, however, take the view there has been mismanagement, and that overspending by the State on such a huge scale is contrary to the policy of financial discipline which the Government professes to follow.

Only this week a merchant bank reported that Government finances were in poor shape and a combination of stiff controls on State spending and higher taxes was needed in the Budget in March.

Mr Horwood, as he did in the case of a GST tax increase last year, has acted ahead of the Budget.

The Opposition parties are incensed by this — and quite rightly so.

The time for increases in taxation is when the Budget is presented.

That aside, the GST increases will add to the burdens of the lower-income groups who are already finding it difficult to make ends meet.

Mr Horwood explains that "one of the advantages of the General Sales Tax vis-a-vis alternative methods of taxation is that it is levied on virtually all final purchases, in other words, the tax has a very broad base.

"As a consequence, the community as a whole contributes to the financing of public expenditure which, in turn, is incurred for the benefit of the whole community."

Unfortunately, GST has to be paid not only by those who are able to afford it, but also by those who are not, including pensioners and the poorer workers.

The 1 percent increase will raise about R700 million in a full financial year, according to economists, and this will add about 0,7 percent to South Africa's inflation rate, which is now unlikely to fall to the 7,5 percent to 8 percent maximum predicted previously by Mr Herwood.

All forecasts are that there is further gloomy news ahead for us in the Budget, if not before then, with taxes and rail and postal tariffs likely to go up.

Indeed, it looks as if we will have to tighten our belts this year, even though the recession is bottoming out and the upswing may begin in the third quarter of the year.

This is a disappointment, since the recession and drought have been tough without rises in taxation and tariffs to add new burdens. However, as we said at the outset, there is nothing much that the ordinary man can do, except grin and bear it. Even if the grin is somewhat twisted.

#### Defense Budget Cited

Johannesburg SOWETAN in English 25 Jan 84 p 4

[Editorial]

[Text]

**WE ARE** hardly into the first quarter of the year and already the populace is being hit, for some reason or the other, by what might turn out to be a devastating increase in the cost of living.

The Minister of Finance, Mr Owen Horwood announced in Cape Town that the General Sales Tax is to be raised from six percent to seven percent. Whatever justification the Minister believes there is for the increase in GST, it is obvious that the poor and working class people will be the hardest hit. Experts also believe this will induce another round of wage negotiations and we can only speculate about the labour unrest that is likely to be spurred in these unhappy times.

According to Mr Johan Maree, a lecturer in industrial sociology at the University of Cape Town, taxes were normally progressive and people with higher incomes were normally taxed more.

"The whole approach of sales tax," he says, "was to put a heavier tax on the poor and low income groups — and the more the Government does this, the less it needs to increase the tax burden on the wealthy."

In the South African context this means only one thing — that the burden is going to descend alarmingly on blacks.

There may well be valid reasons for the state to generate more revenue for public funds, but we believe whatever they are, they cannot overtake the seriousness of making the poorer people even more desperate, something that might lead to social unrest.

Already there are a number of calls for basic foods to be exempted the GST: bread, milk, maize meal, man, head of Pick 'n Pay said he would ask the Government to exempt five basic foodstuffs from the GST, bread, milk, maize meal, flour and sugar. We believe other businessmen should join Mr Ackerman in this move. As it is there will be very little that we can do to change the Government's mind except to show them that this might be the course to disaster and chaos.

We are saying this in all seriousness. The number of strikes and labour disruptions going on currently are not good for the country economically and morally. We are losing a great deal of man working hours as well as a great deal of confidence in the economy of the country as a whole.

Experts have already said that labour unrest is caused in the main by low wages. With the cost of living shooting up in the midst of these widespread strikes, it needs no sage to predict that even further trouble

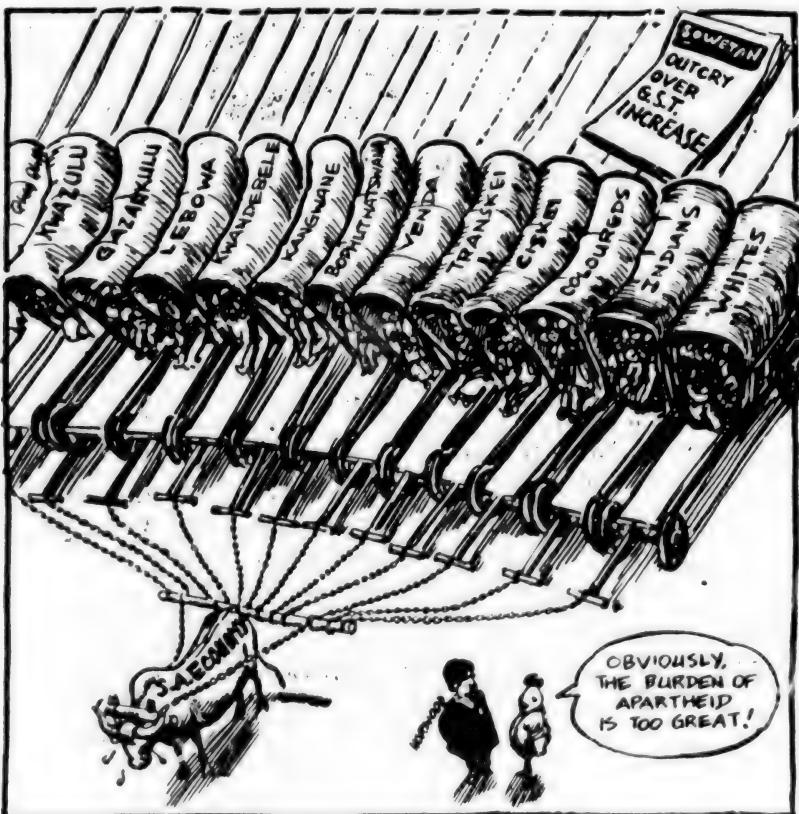
**is in the offing. Managers cannot go on negotiating wages with their employers indefinitely. Something is going to give, and we are afraid the Government will have to take a large part of the blame for that.**

**We know there has been a terrible drought. We are aware of the falling price of gold and everybody by now**

**should know that the world is struggling to recover from a rather nasty depression. But things like a hefty defence budget we simply cannot countenance. We believe the wars South Africa is fighting are caused in the main by the politicians. They could save this country a lot by solving such problems politically and not through expensive wars.**

#### Overburdened Economy

Johannesburg SOWETAN in English 26 Jan 84 p 6



CSO: 3400/592

## HIGHER TAX RATES REGARDED AS 'INEVITABLE'

Johannesburg THE CITIZEN in English 23 Jan 84 p 10

[Article in the "Market on Monday" column by Don Wilkinson]

**[Text] "HIGHER tax rates have become inevitable", says Senbank economist and assistant general manager Louis Geldenhuys in the latest issue of the bank's Economic Opinion.**

Government's financial position is not in good shape, nor are the prospects promising, according to Mr Geldenhuys. Largely to blame for this are the heavy outgoings — heavier than originally expected — on defence, on relief from the disastrous drought, and the cost of servicing government debt, thanks to the high level of interest rates.

Attention was drawn to this by Minister of Finance Horwood last November, and widespread comment since then has focused on these factors, together with the poor performance of gold and exports, as making it virtually imperative that taxes be increased in the next Budget, if not before.

However, it must be said that the problem is not simply one of a shortfall in revenue, but is also intimately related to high expenditure levels.

The Senbank analysis suggests that while the comparatively high levels of government spending can be linked to factors like inflation, defence, and socio-economic pressures, increased spending on civil servants' remuneration has also been an important cause of the pressure.

Mr Geldenhuys does not appear particularly sanguine about Government's ability to cut back on its spending: "The pressure for high levels of Government spending will be significant but the policymakers should limit spending as far as possible".

He estimates that at least R1 300-million more will be required to be raised this financial year, and while the R900-million or so raised from the Sasol issue could be available for this purpose, tax rises will still be required.

Pinpointing where the blows will fall is an almost impossible task, since the variables, and their inter-relationship to each other are varied and capable of different interpretations. This time, however, the deficit is large enough to warrant a wide spread of

sources for increased revenue.

Mr Geldenhuys suggests that where direct tax is concerned, the corporate sector is the most likely: not only a rate rise is indicated, but possibly also some adjustments to the profit levels at which rate is applied could be made as a counter to the declining trend in the effective tax rate.

Personal taxes are less likely to be increased, the analysis suggesting that the authorities would prefer not to raise the marginal rate while, in any case, the "take" from personal tax is rising as incomes rise.

As for GST, an increase looks fairly inevitable, despite its political sensitivity and its influence on the inflation statistics.

Other indirect taxes, however, could be raised in order to modify any GST increase: according to Mr Geldenhuys, their contributions to revenue have been falling, relative to other sources, for some time. Thus smokers and drinkers could well find themselves in the firing line.

Indirect taxes, in any case, whether GST or Customs and Excise, have the virtue, in the eyes of revenue-raisers and spenders, of producing cash flow increases almost immediately, unlike direct taxation and loan levies, though these latter remain something of an outsider in the higher taxation stakes.

The Senbank analysis serves as a useful reinforcement of the views of most analysts about the virtual inevitability of a much tougher Budget this year than for some time past, one which will hit individuals and the corporate sector where it hurts most.

So company earnings, already forecast to fall in 1984 because of the continued sluggishness of the economy and the drought, among other factors, look like receiving a further blow from the Minister of Finance in March, if not before. Yet investors in industrial equities still appear to have their eyes firmly fixed on a recovery in 1985 and burgeoning profits and dividends thereafter.

GOVERNMENT LOSING MILLIONS IN UNCOLLECTED SALES TAX

Johannesburg THE CITIZEN in English 26 Jan 84 p 4

[Text] THE Department of Inland Revenue is establishing a new division in Pretoria to prevent loss of millions of rands in GST evasion and close loopholes used by business to avoid paying Sales Tax.

Economists have estimated the government is losing between R700 and R1 000 million a year in uncollected taxes.

The increase of sales tax from six to seven percent has stirred a hornet's nest among South African housewives, with the Housewife's League, the Consumer Council and business leaders calling on the government to exempt basic foods from GST.

Mr S Albertyn, Chief Director (Administration) in the Department of Inland Revenue, announced in Pretoria that toplevel personnel were being sought to fill new posts.

He said it was extremely difficult to estimate accurately how much revenue was not being collected.

The controversy involving GST evasion surfaced in 1980/81 when the Auditor-General revealed that critical staff shortages in the Department of Finance had cost the Government R100 million in uncollected taxes.

Mr Albertyn also revealed that the entire Department of Inland Revenue at present employed only six chartered accountants.

The number is to be increased in the near future.

The total work force in the department had grown from 4 500 to 6 400 recently and officials would be able to conduct more thorough inspections in all spheres of tax collection. The Department still had a 10 percent staff shortage.

He said there were 144 000 business in South Africa which paid sales tax monthly and a further 93 000 which paid sales tax annually.

The Housewives' League and the Consumer Council have condemned the increase, with the league calling for exemption for basic food-stuffs such as eggs, bread, meat, dairy products and mealie meal and essential commodities such as coal, paraffin and candles.

The National President of the League, Mrs Joy Hurwitz, said it was appalling that GST had to be increased to 'cover deficits in government income.'

The Director of the Consumer Council, Mr Jan Cronje, called for a much greater increase in tax on luxury goods such as liquor and cigarettes, saying this would have been far more meaningful.—Sapa.

CSO: 3400/591

## COCA-COLA WORKERS STRIKE FOR HIGHER WAGES

Johannesburg SOWETAN in English 24 Jan 84 p 3

[Article by Joshua Raboroko]

[Text]

**ABOUT 1300 workers employed at the Coca-Cola Bottling Company's four plants went on strike for the second time yesterday in support of wage demands.**

The strike follows a deadlock between management and the Food, Beverage and Allied Workers' Union on Friday when management offered a 17½ percent increase which was rejected by the union demanding 25 percent.

The workers said that they were not happy with the offer management was making and they threatened not to return until their demands are met.

Late yesterday it was disclosed that talks would resume today between worker representatives and the company. Workers would go back to work as talks continue.

Meanwhile, over 250 workers employed by OK Bazaars stores at Randburg, Brixton and Pleegory yesterday went on strike in sympathy with the 300

sacked workers at OK-Hyperama in Sandton. OK's Industrial Relations officer Mr Keith Hartshorne said that workers downed tools in the morning and management was hopeful that the workers will return to work today.

Management has already started to recruit new members at Sandton, according to a spokesman yesterday.

The Bophuthatswana Government has dropped another bombshell by banning two more unions — The Commercial, Catering and Allied Workers' Union and the National Union of Mineworkers — from operating in the territory.

The two unions received letters notifying them about the ban and already about 400 miners at Ucar Mine-

rals in Brits staged a two-hour work stoppage in protest against the move.

NUM's general secretary Mr Cyril Ramaphosa said that the workers returned to work following discussions between management and the shop stewards.

In another move, the Fosatu-affiliate Metal and Allied Workers' Union (Mawu), is threatened with a ban following the arrest of its organiser for trespass in the "homeland" recently.

Bophuthatswana recently banned the South African Allied Workers' Union — the second ban on the union after Ciskei had imposed a similar action — amid widespread anger from trade unionists and community-based or-

ganisations in the country.

Several unions and organisations, including Fosatu, Cusa, Saawu, Ccauwsa, Motor Assemblies and Components, Allied Workers' Union and the Azanian People's Organisation, say to see the ban as an attempt by so-called "independent states" to stifle union activities in these territories and impose "puppet institutions" to represent workers.

A letter to Ccauwsa and signed by Bophuthatswana's secretary for Manpower and Co-ordination, Mr E V McCormack, says neither Ccauwsa or any other trade union or employer's organisation, being unions or organisations of another country, are permitted to operate in Bophuthatswana.

SOUTH AFRICA

MACWUSA SEEKS TALKS WITH FORD

Johannesburg THE CITIZEN in English 24 Jan 84 p 13

[Text]

**PORT ELIZABETH.** — Officials from the Motor Assemblers and Component Workers' Union (MACWUSA) are to seek an urgent appointment with Ford management and have also been mandated to meet the other union representing Ford workers, the National Automobile and Allied Workers' Union (NAAWU).

This follows an announcement on Friday by Ford management that 490 hourly-paid workers would be axed.

The MACWUSA general secretary, Mr Dennis

Neer, said yesterday the union would ask for an appointment with Ford management.

Mr Neer confirmed that workers feared further retrenchments, although no definite figures had been mentioned.

There was speculation of further retrenchments and a cutback in salaried staff at a meeting on Saturday attended by 1 500 Ford workers.

In a statement issued after the meeting, Mr Neer said the MACWUSA officials had also been instructed to discuss the issue of Ford manage-

ment having informed the unions of the retrenchments "at the eleventh hour".

A second resolution asked that Ford management to reconsider the retrenchments within 14 days.

Mr Neer said the workers refused to accept the announced retrenchment and saw it as a form of retaliation emanating from a stoppage, before the holiday shutdown last year, by both MACWUSA and NAAWU members following a dispute

over the treatment of a NAAWU member.

There was also dissatisfaction about the way a recent list of grievances to Ford management regarding a "racist senior supervisor" had been handled.

The workers claimed the retrenchments were a way to create division among them.

No comment could be obtained from either Ford or NAAWU yesterday. — Sapa.

CSO: 3400/591

SOUTH AFRICA

WILDCAT STRIKE CLOSES DOWN BMW IN ROSSLYN

Johannesburg THE CITIZEN in English 26 Jan 84 p 9

[Text]

THE BMW Car manufacturing plant at Rosslyn Pretoria, has been closed down indefinitely by a "wildcat strike" involving about 1 500 workers.

BMW said in a statement yesterday production at the company's Rosslyn plant was halted after "threats and acts of violence against Black supervisory staff during a wildcat strike."

A number of production line employees refused to work yesterday morning. Employees who did not wish to be associated with the disruption left the premises, but a group remained on strike.

"It would appear that some employees have been mislead by their leaders into believing that unreasonably high wage increases could be expected because of the ex-

ceptional demand for BMW products," the statement said.

The plant will remain closed until management "is confident that the intimidation of fellow workers will not recur."

Labour problems started with a one-day strike last week, due to some employees dissatisfaction with general wage increases that came into effect this month. These increases were announced last June.

BMW's hourly-paid employees earn the highest wages in the car industry with an effective minimum wage of R2.50 an hour (R507) a month, while the majority of employees earn an average monthly wage of R567, the statement said.

CSO: 3400/591

## SIGNIFICANT SHIPPING INDUSTRY CHANGES FORESEEN

Johannesburg SOUTH AFRICAN INDUSTRIAL WEEK in English 10 Jan 84 p 6

[Article by William Greenberg]

[Text]

**SPECULATION** is growing that if Old Mutual takes over the Government's controlling interest in Safmarine, as widely expected, a merger between Rennies Shipping and Freight Services will follow as well as other far-reaching development that will change the face of the shipping industry in South Africa.

Pointing out that about the only competition left around the coast would be Unicor's King & Son, a leading Johannesburg shipbroker told *Industrial Week*: "If nothing else a Rennies-Freight Services tie-up, with the same shareholders controlling so much of the bulk shipping business, would mean one less agent to get a competitive quote from."

Safmarine has a 40-50% interest in Freight Services and if Old Mutual, which already controls Rennies, also acquired the Industrial Development Corporation's stake in Safmarine to add to the 5% it already holds, moves towards merging the country's two biggest freight operations — Freight Services is the market leader and Rennies Shipping is No 2 — are regarded as inevitable.

At a get-together with pressmen before Christmas Buddy Hawton, chief executive of Rennies Shipping, went out of his way to point out that a high market rating was often achieved with quite a low market share.

He said that in his own division of Rennies, such operations as freight and shipping, Fidelity Guards, Rent-a-Bakkie and Thomas Cook Rennies Travel were either in top or second place in the market and in some cases held less than 10% of the market share, indicating the competitive nature of the business.

There were 130 freight agents operating at Jan Smuts Airport alone, Hawton said.

"When we moved from customs broking to the international business of forwarding we did so defeensively because that

The prospect is viewed with particular misgivings by overseas shippers and other ship users who fear that the stevedoring monopoly that has already been created, with clients no longer effectively free to choose different companies at different ports, will now be aggravated by a ships' agency, clearing and forwarding monopoly.

was what our competitors were doing," he said.

Now it is an integral part of our operation."

The trend he saw was towards polarisation in the industry, with more small companies emerging on one hand but on the other hand consolidation between competitors at the capital-intensive end of the market.

Hawton said that how closely Rennies Shipping would have to work together with Freight Services depended on whether Old Mutual got involved.

He believed the Government was "sensitive to the need to do the Safmarine thing right" and would not be hurried in disposing of the IDC shareholding, which might go out to tender or to a consortium of interests.

Meanwhile Rennies Shipping, still very much in the race against Freight Services, was looking to long-term growth in turnover, market share, profitability and return on investment. Hawton said

It aimed to get out of unprofitable areas, improve its training, retain and motivate its key personnel, expand by organic growth, acquisitions and further fixed investment and, above all, compete intensively. "competitive advantage is the name of the game," Hawton said.

He claimed that although Rennies Shipping was No 2 to Freight Services in the industry it had moved forward in the past five years and was now "close to passing Freight Services to the winning post."

"We would like to be No 1," he added.

Hawton said 1983 had been a very difficult year for shipping and the first half of 1984 would not be significantly better. But there would be an improved upturn in the rest of 1984 and in 1985.

According to Johannesburg sources, travel and tourism are other industries on which an Old Mutual acquisition of the IDC stake in Safmarine would have a dramatic impact.

Old Mutual-controlled Rennies has a 37.5% interest in Sun International, which took over the Southern Sun and Holiday Inns casinos, and originally Sol Kerzner and his associates owned another 37.5% share with Southern Sun holding the remaining 25%.

But since then Kerzner's group has sold about half its stake to Safmarine, which means that if Old Mutual takes over the 50%-plus IDC share in Safmarine, companies controlled by Old Mutual — Rennies and Safmarine — would also have a controlling interest in the Sun International casino operation.

Market sources think there is little doubt that Safmarine's Marmie Marsh, who is an Old Mutual director, bought the Sun International shares with an eye to carrying overseas tourists by

sea to Southern Africa's casinos while also giving them a chance to gamble on board Safmarine's own ships.

They also believe that the Government, in spite of its proclaimed decision to pull out of Safmarine for participating in the casino operation, was well aware of Marsh's thinking.

This seems to be borne out by the disclosure made exclusively in *Industrial Week* at the time that both of the Government-appointed IDC directors were present at the Safmarine board meeting where the decision to invest in Sun International was taken and fully supported it.

The most commonly held view is that the Government had made up its mind to disinvest from Safmarine anyway so that the IDC could recycle its funds from an already developed to a developing enterprise, and that it chose the casino investment as the occasion in order to gain some political mileage as a bonus.

Expectations are that Safmarine will instal gambling facilities in the Astor, the 19 000-ton passenger liner it has just bought, with which it will reactivate a regular Cape-Southampton service in April.

CSO: 3400/591

## SOUTH AFRICA

### EFFECTS OF FALLING GOLD PRICE EXAMINED

Johannesburg THE STAR in English 13 Jan 84 p 6

[Article by Dr Gad Ariovich: "What if the Price of Gold Plummeted by 300 Dollars?"]

#### [Text]

Gold sales account for more than 60 percent of South African mineral exports and no less than about 40 percent of the national income from exports as a whole. Overall, the direct and indirect contribution of the gold mining industry equals 25 percent of the entire economy.

Gold influences economic activity via many complicated and interrelated channels and an econometric model has been constructed to analyse the impact of movements of the gold price in a scientific manner.

The model was used here to examine the repercussions of a theoretical fall in the gold price on world markets by 100 dollars an ounce from an average 425 dollars last year to an average 325 dollars in 1984.

It will be seen that such a decrease, if it occurred, would have a chain reaction on economic factors as varied as the balance of payments to interest rates and wage levels.

Monetary and financial variables tend to respond quickly to changes in the gold price. Even a momentary change is immediately incorporated into business decisions.

According to the econometric model, a decrease of 100 dollars an ounce in the annual average gold price would reduce South Africa's export revenues by 2,3 billion dollars.

This would have a direct effect on the current account and be reflected by a decrease in the value of foreign exchange reserves.

The process would reduce liquidity in the economy and the shortage would push short-term interest rates higher. On an annual basis, a 100-dollar drop in the gold price would increase the annual rate on three-month bank acceptances by 1,51 percent.

Such a depreciation in the gold price would not change the prime overdraft rate immediately, but the rate would rise about three months later by one percent and six months later by two percent. On an annual basis, the rate would be increased by 1,75 percent.

It has been found that long-term interest rates in the capital market are much less sensitive to fluctuations in the gold price. This can most likely be explained by long-term inflationary expectations as an important determinant of capital market rates.

One long-term effect of the gold price on the economy is reflected in its relation to the money supply.

A fall of 100 dollars by gold would reduce the narrowly defined money supply by R45,3 million in the first year, R564,6 million in the second and R1 347,3 million in the third.

Thus these empirical findings suggest that the main effect of a lower gold price on the money sup-

ply might take as long as three years.

Changes in the value of reserves also influence the exchange rate of the rand. For instance, according to the model, if the gold price decreased by 100 dollars the rand would depreciate against the US dollar by six cents in the first year, four cents in the second and three cents in the third.

The influence of the gold price on inflation, as revealed by the model, is an interesting one. It appears that a decrease by gold does not necessarily create anti-inflationary pressures.

The final outcome of all forces is a very minor downward pressure on inflation.

In our experiment, the gold price was reduced from 425 dollars, the average for 1983, to 325 dollars an ounce for 1984. The model shows that the South African Government would lose receipts of R560 million in the first year and about R67 million in the second year.

The loss in revenue would mean — other things being equal — that the government deficit before borrowing would increase from R2 396 million to R2 966 million. The larger deficit could increase inflationary pressures and tend to raise capital market rates.

As the gold industry accounts for a significant proportion of the country's gross domestic product it could therefore be expected that a

**lower gold price would depress activity in the real economy.**

A 100 dollar fall would slow down the growth rates of GDP as follows: 0,12 percent in the first quarter, 0,42 percent in the second, 0,85 percent in the third and 1,29 percent in the fourth. The next year the rate would contract by 1,45 percent. In subsequent years the impact would diminish substantially.

Private consumption also reacts strongly to changes in the gold price. It would contract, with a 100 dollar fall in gold, by 0,75 percent in the first year and a further 1,4 percent during the next year.

The main impact would have a time lag of about a year.

According to the model, one of the strongest real economic effects of a fall in the gold price would be

on investment. A decline of 100 dollars would decrease gross fixed investment, on an annual basis, by 0,9 percent in the first year and the impact would be even stronger in the second year, causing a contraction of 2,5 percent.

Wage and salary increases are also influenced by the gold price, but not in the short run. A time lag of as long as 30 months can occur before wage trends respond.

In the first year, a 100 dollar drop in gold would dampen wage increases only slightly. For example, wages would increase by 9,7 percent in 1984 instead of 10 percent. Next year, anticipated increases would be 17,4 percent rather than 18,4 percent and 1986 increases would be 16 percent instead of 18 percent.

Sector analysis reveals that the level of activity in house building

would be decreased by 0,73 percent in the first year, 1,66 percent in the second and two percent in the third.

Other industries, such as heavy engineering, furniture, printing and publishing, industrial chemicals, motor components and pottery are also particularly sensitive to changes in the gold price.

However, the study suggests that a lower gold price would not cancel or even dampen local business cycles. A fall in the gold price would have to be consistent over a long period in order to decelerate economic growth.

As a decline — or increase — in gold price levels cannot be expected to last for ever, economic activity in South Africa will probably continue to be strongly cyclical in nature irrespective of movements by gold.

CSO: 3400/591

## CONSERVATIONISTS OPPOSE MINING IN DRAKENSBERG RANGE

Johannesburg THE CITIZEN in English 23 Jan 84 p 10

[Article by Tim Clarke]

[Text]

DURBAN. — Conservationists throughout South Africa are joining forces to combat an application by mining companies to prospect for uranium and other base metals in one of the country's best natural regions, the Drakensberg range.

The company, Southern Sphere Uranium (Pty) Ltd, has already made application to the Department of Environment Affairs to mine in the area which is regarded as sacred by conservationists in the area.

An early application by the company for a permit to prospect in the Drakensberg was turned down, but the Department of Mineral and Energy Affairs has asked the Department of Environment Affairs to reconsider its verdict and an announcement is expected within the next week.

It is known that the Natal Parks Board, leading members of the Provincial Administration and other conservationist groups are bitterly opposed to any concessions

being granted in the Mkhomazi Wilderness area.

The company has said in its application that both surface strip and underground mining are contemplated. The conservationists argue that this will do untold damage to the unspoiled area and that the region could be damaged irreparably.

Mr John Geddes Page, Director of the Natal Parks Board, confirmed yesterday that the board had objected to the proposed scheme.

He said the board would struggle to keep the Drakensberg rugged and wild and unspoiled by humans.

He said he feared greatly that if the concession were granted in the Mkhomazi Wilderness, the area would be fouled.

The area was a heritage for future South Africans and should be left in its present condition.

Mr Ian Player, a leading world conservationist and director of the Wilderness leadership school, said he was very upset at the thought of the concession being granted.

He described the Drakensberg as the most exquisite and biggest art gallery in the country.

He said there was no doubt that mining activities would threaten some of South Africa's most unspoilt land. About 20 percent of the land was owned by the Natal Parks Board and 80 percent by the Forestry Department.

Several wild life and conservation groups in the province have already contacted their MPCs and MPs, asking them to oppose the granting of the mining concession.

The matter is now before the regional office of the Department of Environment Affairs.

Although he could not be contacted for comment yesterday Mr J F Otto, Director General of the Department of Environment Affairs, is reported as saying in a Sunday newspaper although his department had originally rejected the application it had been persuaded by the Department of Mineral and Energy Affairs to reconsider its decision.

He is reported to have said that his department was initially "not happy" about prospecting in the Drakensberg.

According to Mr Ron Pistorius, Director of Local Government and Planning in Natal, the Natal Provincial Administration's decision on the issue was in the balance.

He said the conservation aspect, including the importance of the Drakensberg and South Africa's water supply would have to be balanced against the economic importance the mineral deposits had in that region.

The Provincial Administration had asked for more data before coming to a final decision.

He has also rejected any possibility that any mountain side where surface mining is carried out could be restored to its original state.

He said if the soil were disturbed it was not possible ever to revert it to its original state.

## SOUTH AFRICA

### HIGHER CAR SALES ANTICIPATED

Johannesburg THE STAR in English 18 Jan 84 p 10M

[Article by Malcolm Fothergill]

**[Text]** Ford is the only major SA motor maker which expects no significant rise in car sales this year.

The others believe car sales will attain 295 000 or even more.

Ford's belief is that the recession will drag on at least until the closing months of the year, curbing demand to about last year's level, which December's still-unreleased figure should push to about 273 000.

On one point all makers agree — price rises are on the way, possibly in the coming weeks.

Toyota chief executive Mr Colin Adcock says all-round rises are inevitable, given the rand's drop against the dollar and yen in recent months.

"But the increases will be nominal, perhaps one to 1.5 percent," he says.

Mr Adcock's prediction for 1984 is that passenger car sales

will be about 290 000 or possibly 295 000, with commercial vehicles (which he expects to total 113 000 when 1983 figures are complete) between 115 000 and 118 000.

He says: "We expect the first half of 1984 will be much the same as the second half of 1983. Most growth will come in the second half."

#### SIMILAR PATTERN

Nissan's Mr Peter Whittfield, who predicts 290 000 to 300 000 for passenger car sales and 130 000 for commercials, agrees. "The year is going to start in a similar vein to last year, with perhaps some improvement towards the end."

He says Nissan is hoping to increase its market share from around 14 percent to 15 or 16 percent thanks to the introduc-

tion of new models and revisions of old.

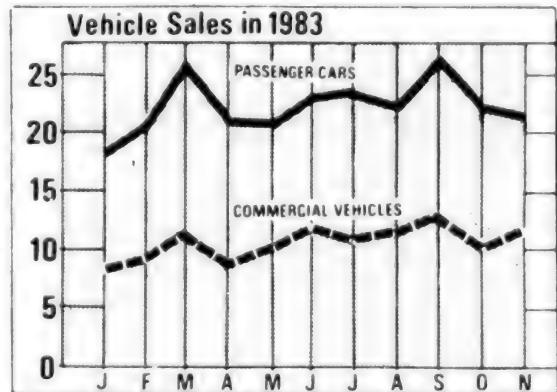
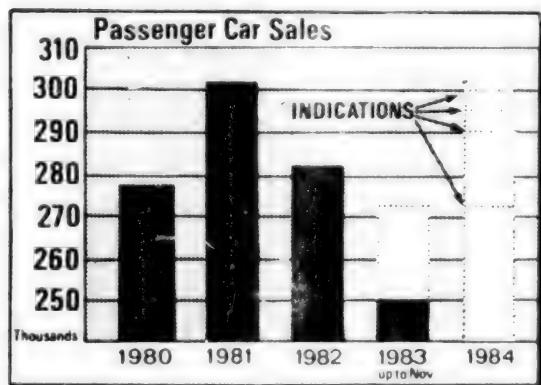
Of the rand, he says he hopes for some improvement in the months ahead. "But we're not banking on it."

General Motors' Mr Lou Wilkin says he has a gut feeling the rand will strengthen as the year develops.

One reason for his optimism is the looming US presidential election, which he believes will bring down US interest rates.

GM, he says, is hoping to pick up a percentage point or two of market share with some "exciting" products due to be released during the year.

His predictions for the 1984 market are that passenger car sales will be between 290 000 and 295 000 and that trucks and commercials, which he expects to be 134 000 for 1983, will reach



145 000 this year.

Looking deeper into his crystal ball, he predicts an exceptionally good 1985 — a hope shared by VW's public affairs manager, Mr Ronnie Kruger.

Mr Kruger believes the recession has already bottomed out and that in spite of pessimism about the low gold price and strong dollar vehicle sales will hit new peaks in 1984.

At worst, he says, VW will maintain its market share; but it's hoping to increase it.

His predictions for the market? Around 295 000 for passenger cars and 120 000 for commercials.

#### FOUR-DAY WEEK

VW will be well placed for any upswing, he says. The company's workforce is still on a four-day week — a situation he sees no chance of changing in the first quarter at least.

This gives it an immediate, 20 percent rise in output simply by increasing the working week.

Ford's Mr Brian Pitt has the most pessimistic forecast for 1984, believing the figures will be about the same as in 1983.

Economic recovery, he says, it seems now will not arrive until well into the second half of the year.

Supplies are holding well at the moment, he adds, but might come under pressure when the upswing arrives.

GM's Mr Wilkin agrees. "Suppliers might find difficulty in meeting increased production needs because of the shortage of skilled labour.

"This shortage will put the cap on any recovery. We have really got to get out into this education field."

CSO: 3400/591

RECORD TECHNOLOGICAL ACHIEVEMENTS OF VAAL REEFS SHAFT REPORTED

Johannesburg THE CITIZEN in English 26 Jan 84 p 24

[Text]

THE new No 9 Shaft system at the giant Vaal Reefs mining complex near Klerksdorp has set several world records in technological achievement.

The No 9 Shaft will come into production in September with an initial hoisting capacity of 190 000 t/month, to be increased later to at least 280 000 t/month. The shaft is being developed to augment declining tonnages from the west division of the mining operation.

With a finished diameter of 10,6 metres the shaft is the world's largest. It was originally designed to have a brattice wall allowing for upcast and downcast ventilation within a single shaft system.

However, following a review of the mining plan

it was decided to sink a separate ventilation shaft and not to proceed with the planned brattice wall in the main shaft. The separate ventilation shaft has been sunk and has a diameter of 7,5 metres.

The main shaft has reached final depth of 2 342 metres which, for a single wind, is the deepest in the world. It is also one of the most complex, 16 levels converge with the shaft and seven of these link up with sister shafts four to five kilometres away.

The biggest single ventilation installation in the world has been constructed on surface, providing an upcast capacity of 1 003 m<sup>3</sup> of air per second with a velocity of 22,7 metres a second.

The huge compressors, each delivering 169 920 m<sup>3</sup> of compressed air per

hour will serve underground operations at No 9 Shaft and elsewhere. The machines are spring mounted, which is a feature unique to South Africa, and designed to absorb shocks caused by seismic events.

To date more than R190 million has been spent on the shaft project to achieve initial hoisting capacity. However, ore hoisted from the Vaal Reef Horizon will be increased later to at least 280 000 tons a month at a final cost in the region of R230-million.

This will be achieved by installing a second rock-winder and a second man-winder, making use of the four unoccupied compartments in the shaft which are already almost completely equipped out with the necessary steelwork.

Construction work on surface plant, such as the refrigeration plant, the modular run-of-mine mill and the carbon-in-pulp recovery plant, is progressing on schedule.

A modern village for 6 000 Black workers is virtually complete, and the welfare centre, community hall and chapel are still under construction. This complex has been built as a series of segmented villages with each village having its own recreational and social facilities.

The complex boasts a large modern shopping centre providing a restaurant, an off-course tote, a post office and a number of clothing, hardware and grocery stores.

CSO: 3400/591

AUTO ASSOCIATION HITS PETROL RESTRICTIONS

Johannesburg THE CITIZEN in English 27 Jan 84 p 13

[Text]

THE Automobile Association has again voiced its disapproval of the restricted petrol selling hours and the accompanying levy system.

Restrictions of this nature and the iniquitous sectional taxation which the levy system represents, conflict with the Government's declared support of the free enterprise system as enunciated by the Prime Minister, Mr P W Botha, at several summit meetings with businessmen during the past number of years," the AA says in a statement yesterday.

The restricted selling hours currently in operation formed part of the conservation measures introduced following the oil crisis 10 years ago.

"Since the price of fuel and the cost of motoring are in themselves adequate deterrents to fuel wastage, the AA believes

that the time has arrived seriously to consider the removal of statutory restrictions on selling hours and the abolishment of the R5 levy system.

"Those filling stations that find it economically viable to do so should be allowed to remain open 24 hours a day all year round, as was the case prior to 1974." Filling stations reverted to the restricted fuel selling hours of between 7am and 6pm Monday to Saturday from January 24, following the recent extension of selling hours to provide for holiday traffic.

Filling stations are legally bound to close between 6pm and 6.15pm. After that, those wishing to remain open may continue to sell fuel against payment of a R5 levy for every transaction. This also applies to Sundays.  
—Sapa.

CSO: 3400/591

SOUTH AFRICA

BRIEFS

BMW REJECTS STRIKE TALKS--The BMW plant at Rosslyn remained closed yesterday while the company continued investigating acts of intimidation of Black supervisory staff during Tuesday's wildcat strike. In a statement today, BMW reacted to press reports claiming that workers went on strike after rejecting a management offer on wage increases. "In fact, we have made no offer and we are not in a wage negotiation phase with the trade union at all," a BMW spokesman said. The spokesman said the increases that came into effect this month had already been announced last June, and the company was not going to renegotiate wages until June this year. "It would appear that some employees have been misled by their leaders into believing that unreasonably high wage increases could be expected because of the exceptional demand for BMW products," the spokesman said. Workers had told the company that in a generally depressed car market, BMW was clearly an exception, and therefore an exceptional wage increase was justified. [Text] [Johannesburg THE CITIZEN in English 27 Jan 84 p 10]

NATAL WATER WARNING--Unless it rains soon there is every chance that the water restrictions in the Durban-Pietermaritzburg region will be tightened again in April, the circle engineer for the Directorate of Water Affairs, Mr Fred Munro, predicted yesterday. He said since restrictions were eased last week no rain had fallen. The inflow to supply dams for Durban and Pietermaritzburg had dropped dramatically and consumption had risen by 18 percent. Mr Munro said the combined level of Midmar and Albert Falls dams was 31,9 percent of their capacity. Midmar was now 63,66 percent full but the inflow was only 7,8 kilolitres a second and half of this was from the new Mooi River pipeline. Albert Falls was only 12,6 percent full and the inflow had dropped back to 2,5 kilolitres a second. "The situation is not much better than this time last year," Mr Munro said.--Sapa. [Text] [Johannesburg THE CITIZEN in English 27 Jan 84 p 10]

INKATHA'S ANTI-UDF DRIVE--Durban.--The Inkatha movement has distributed hundreds of pamphlets in Western Europe to counter what it terms "scurrilous accusations" made against it by the United Democratic Front. The pamphlets were officially released at a Press conference in Durban by Chief Gatsha Buthelezi, Chief Minister of KwaZulu and president of Inkatha. The Press conference was addressed by top Inkatha officials who had just returned from a 10-day visit to West Germany, England and Scotland, Holland, Switzerland, Norway and Sweden. A statement issued by the delegation said it had been

disturbed to discover that Inkatha's political standpoint had been completely misrepresented overseas by a pamphlet put out by the UDF.--Sapa. [Text] [Johannesburg THE CITIZEN in English 27 Jan 84 p 11]

JOBS FOR GRADUATES--Pretoria--There should be jobs for all this year when thousands of matriculants, university graduates and national servicemen enter the job market over the next few weeks. That's the news from the Department of Manpower's director of vocational guidance and placement services, Mr P. J. Benade. However, he warned that those with a Standard 8 certificate or lower would find it hard to land a job, although they would be accommodated eventually. He invited jobseekers to approach the department's vocational guidance services that would assist them in finding jobs. The director of publicity and recruitment for the Commission for Administration, Mr Martin Raath, asked matriculants to consider the public service's career opportunities.--DDC. [Text] [East London DAILY DISPATCH in English 10 Jan 84 p 9]

ISCOR GETS ISRAELI EXPORT AWARD--The giant Iscor steel organisation--struggling to keep its head above financial deep waters--has succeeded in cementing a 10-year export promotion effort with Israel. Iscor reported in Pretoria yesterday it had been awarded the South Africa Israel Chamber of Commerce Award for exports to Israel last year. The merits considered in making the award were export volume, perserverance, innovation and the potential for further exports. This comes after the establishment of a joint company by Iscor and the Koor group of companies, registered as Iskoor Steel Services Ltd, in Israel in August 1973. The development of the programme took place in two phases. The first was the establishment of a warehouse in Israel to which Iskoor could transfer steel in standard stock sizes for marketing there. The second phase entailed the establishment of a steel service centre with processing facilities capable of supplying material exactly to customer requirements. This centre came into operation in 1978 and has since been extended to meet an ever-increasing demand. Future strategy for the joint venture, according to Iscor sources, is to become actively involved with Israeli companies manufacturing items such as steel pipes, furniture, holloware, containers, household appliances, castings and forgings. [Text] [Johannesburg THE CITIZEN in English 25 Jan 84 p 8]

VENDA SECURITY DETAINEES--An application for a doctor to be allowed to examine the six remaining security detainees in Venda, who were being held with Mr Samuel Tshikhudo who died in detention this week, has been turned down by the homeland government. According to a spokesman for the firm handling the defence of the detainees, Ayob and Associates, the Venda Government turned down their application in a two-line telex message. The telex stated that the application has been turned down because their request was contrary to the security law of the country. [Text] [Johannesburg SOWETAN in English 25 Jan 84 p 2]

CSO: 3400/592

SWAZILAND

BRIEFS

CONSTRUCTION OF BRICK FACTORY--CONSTRUCTION of the R10m face brick factory in Swaziland, being built by a consortium which includes UK London Brick Company and the Swaziland Development Corporation, is ahead of schedule. Toncoro has an agreement with Langa National Brick Works, the operating company, to act as sales agent in SA for virtually the whole of the projected 50-million bricks a year output when the factory comes on stream at the end of 1984. Langa is obliged to retain sufficient bricks to cater for local Swazi requirements. The site, in a remote area of north-east Swaziland, has been cleared and the quarry opened to expose the clay deposits. Some plant has arrived and other equipment is on its way. Murray & Roberts is building the rail link. The project will have no large impact on the SA market as the 50-million bricks equal only 1% of SA clay brick production. However, London Brick has been looking into the possibilities of establishing plants in other homelands.  
[Text] [Johannesburg RAND DAILY MAIL in English 20 Jan 84 p 14]

CSO: 3400/607

SYMPOSIUM ON TWENTY YEARS OF ZANZIBAR REVOLUTION HELD

Dar es Salaam DAILY NEWS in English 20 Jan 84 p 1

[Text] Tanzania academicians have been called upon to give constructive views which will help in the transformation of Zanzibar--20 years after the 1964 people's revolution, SHIHATA reported.

The call was made in Zanzibar yesterday by the Minister of State in the Vice-President's Office, Ndugu Ali Hassan Mwinyi, when opening a two-day symposium on "20 Years of the Zanzibar Revolution", being held at the Eastern African Centre for Research on Oral Traditions and African National Languages (EACROTANAL).

He said Tanzanian academicians, particularly economists, could formulate concrete strategies to supplement government efforts against the current economic problems facing the Isles.

The Minister said for example, education institutions in Zanzibar could organise young people into productive units and make them understand that work was an essential prerequisite for the development of man.

He added that in so doing the youths in the Isles would be able to safeguard the gains of the revolution.

The Minister also called on the Zanzibar Ministry of Education and the Youth Organisation to find ways of involving young people in fishing and agricultural projects--the main-stay of Zanzibar's economy.

The symposium has been jointly organised by the Institute of Development Studies (DIS) of the University of Dar es Salaam and the Zanzibar Ministry of Education.

Meanwhile several participants to the symposium have stressed the need to strengthen the Zanzibar House of Representatives in order to make it appear a true representative of the people.

The views were expressed during discussions on the paper titled "People's Power and the Legislative in Post-Revolutionary Zanzibar" presented by Palamagamba Kabudi from the University of Dar es Salaam.

In his paper, Ndugu Kabudi argued that in any revolutionary society, it was vital to have a legislature which basically represented the will of the people through elected representatives.

He said in order to achieve this objective, there was a need for such a legislature to serve the interest of the people which is reflected, among other things, by the composition of the legislature, its voting system and its power to call for another election.

Referring to the Zanzibar House of Representatives, Ndugu Kabudi noted that although its formation in 1980 represented a step forward in consolidating peoples power in the Isles, certain measures must seriously be considered to make it a true representative of the peasants and workers.

He, however, suggested that all members of the House of Representatives must be directly elected by the people rather than continuing with the present system whereby some members of the House are appointed by the Chairman of the Revolutionary Council who is also the President of Zanzibar.

Contributing to the discussions, the Secretary of the Zanzibar House of Representatives, Ndugu Usi Hamis Haji, agreed that there was need that the House should be a predominantly elected body.

But he added that despite certain anomalies in the composition of the House, there was complete freedom on discussion by the House members and that the voting system in passing the law was conducted in a democratic atmosphere.

Ndugu Usi also questioned the relevancy of Party supremacy over state organs. He said this concept of Party supremacy should be removed before it imposes its powers over Zanzibar state organs.

CSO: 3400/593

### SHILLING DEVALUATION CAUSES TRC RATE INCREASES

Dar es Salaam SUNDAY TIMES in English 15 Jan 84 p 1

[Excerpt] The Minister for Communications and transport, Ndugu John Malecela, has clarified that increases of goods rates and passenger fares for rail and marine services announced yesterday were necessitated by the recent devaluation of the shilling.

The rates, released by the Tanzania Railways Corporation (TRC), become effective from tomorrow.

He told newsmen in Dar es Salaam yesterday that since the government devalued the shilling by 20 percent in June, last year, TRC had not adjusted its rates accordingly and as a result incurred losses.

He explained that the corporation was still conducting its business using the old exchange rate of 9.743 shillings per dollar instead of 12.17875 after the devaluation.

The Minister said his ministry and the TRC were now working out new passenger fares and goods rates to be announced in the near future which would take into account the higher operational costs.

He said since the last fares effected in October, 1981, prices of spare-parts, fuel and other inputs had drastically gone up but the fares and goods rates remained unchanged.

He pledged that his ministry would act promptly in future whenever such suggestions were made and would even go as far as advising corporations whose rates were overdue and unrealistic so that they may be adjusted to suit present time.

He said the new harbour tariff for container cargo effective today was also necessitated by the devaluation of the shilling and will be applicable to all Tanzania's port users.

CSO: 3400/593

PROPOSALS ON RESUMPTION OF KENYAN COOPERATION SENT FOR RATIFICATION

Dar es Salaam DAILY NEWS in English 18 Jan 84 p 1

[Article by James Mwakisyala]

[Excerpt] Detailed draft proposals on the resumption of co-operation between Tanzania and Kenya have been completed and submitted to the government for ratification, the DAILY NEWS learnt in Dar es Salaam yesterday.

The Principal Secretary in the Ministry of Communications and Transport, Ndugu Odira Ongara, said implementation of the agreements would start after ratification of the proposals by the governments of Tanzania and Kenya.

Ndugu Ongara said the documents covered trade, and transport and tourism.

Completion of the preparations mark the highest point so far in the marathon ministerial and institutional negotiations between the two countries which have taken place since November last year when the three Heads of State of Kenya, Uganda and Tanzania agreed on normalisation of co-operation.

Correspondent Munir Daya, meanwhile, reported from Mombasa that Kenya Airways would begin commercial flights into Tanzania on February 3, this year.

Aviation sources in Kenya, were quoted as saying that a draft flight schedule and proposed air fares had been submitted to their Government.

Kenya Airways has proposed to make two DC9 flights a week from Nairobi to Dar es Salaam through Mombasa and Malindi--Kenya's tourist resort.

A proposal has been made to air Tanzania Corporation (ATC) to avail same-day connections with Kenya Airways to the Kilimanjaro International Airport and Mwanza for the twice weekly flights.

Flights from Malindi or Mombasa to Dar es Salaam would cost Kenya shillings 899/- for first class, 620/- for economy, while flights from Nairobi to Dar es Salaam would cost 1,879/- and 1,295/-, respectively.

Kenya Airways has also suggested excursion fares for the Malindi-Mombasa Dar es Salaam flight at 866/- and 1,890/- for the Nairobi to Dar es Salaam.

The official exchange rate for the Kenya shilling as against the Tanzanian shilling is 1:1 a Bank of Tanzania official confirmed yesterday.

However, precise air fares between the two countries would be known soon after ratification of the agreement on air transportation.

Meanwhile, Tanzania and Kenya are still working out payment modalities before formally normalising trade between them, the Minister for Trade, Ndugu Mustafa Nyang'anyi, said in Dar es Salaam yesterday.

Arrangements towards resumption of trade between the two countries were very much ahead on the Tanzanian side, he said, adding that the country would like to see a balanced trade between the two countries.

Ndugu Nyang'anyi, who was talking to a four-man delegation of the Kenya Association of Manufacturers in his office, said constructive trade talks were being delayed by the payment agreements.

He said the country would send a trade delegation to Kenya after the payments modalities had been agreed upon.

He said with the re-opening of the Tanzania-Kenya border, it was up to exporters of both countries to explore other areas to facilitate trade between the two countries.

The Kenyan delegation, led by its chairman, Mr. J. B. Wanjui, has said Kenya manufacturers were ready to sell to Tanzania a wide range of goods, including cosmetics, cooking fats and other consumer goods.

They have also identified coconut oil, cotton seed oil and hardwood as goods that they would immediately like to import from Tanzania.

Ndugu Nyang'anyi informed them, however, that there was no immediate possibility for them to import coconut oil from Tanzania because what was being produced now was not even meeting the country's demand for soap manufacturing.

He said, however, that it was possible in the case of cottonseed oil and advised them to get in touch with the Tanzania Cotton Authority (TCA).

CSO: 3400/593

URAFIKI TO LAY OFF SEVEN HUNDRED EIGHTY-TWO WORKERS

Dar es Salaam DAILY NEWS in English 17 Jan 84 p 1

[Excerpt] The Friendship Textile Mill (URAFIKI) in Dar es Salaam--plagued by lack of spare parts, chemicals and dyeing stuff plans to lay off 782 out of its workforce of 5,521 this year, the Mill's General Manager, Ndugu Julius Mhondo, has said.

In a statement issued in the city yesterday, Ndugu Mhondo said the measure was "to align production level and the number of workers". He said those to be laid off would be drawn from every department of the Mill.

He said the Mill had, since 1982, been working under capacity, but the number of workers had remained the same.

The Mill, which has a capacity of producing 33 million metres of cloth annually, produced only 19.0 million metres last year, incurring a loss of 49m/. In 1982, it produced 24.2 million metres, making loss of 26m/, he said.

Ndugu Mhondo said it was uneconomical to maintain the same number of workers when production was falling.

The Mill would continue to operate three shifts instead of four, for six days a week. Sunday would be for plant maintenance, Ndugu Mhondo said.

Ndugu Mhondo assured that the workers to be affected would be paid their terminals benefits in accordance with labour regulations.

The Mill, built in 1968 with Chinese aid, has lacked essential inputs for the last three years.

Addressing the workers Council last month, which was attended by the Minister for Industries, Ndugu Basil Mramba, Ndugu Mhondo appealed to the Government to help the Mill secure sufficient spare parts from China to enable it step up production. [as published]

CSO: 3400/593

MINISTER NOTES ZANZIBAR GOVERNMENT'S HOUSING PROGRAMS

Dar es Salaam DAILY NEWS in English 14 Jan 84 p 1

[Article by Attilio Tagalile]

[Text] The Zanzibar Revolutionary Government has been able to provide 5,300 housing units since the Revolution 20 years ago, the Assistant Minister in the Ministry of Lands, Construction and Housing, Ndugu Mohamed Suleiman, has said.

In an exclusive interview with the DAILY NEWS, Ndugu Suleiman said the units, built by his Ministry with the people's participation, had rendered useful experience in planning and implementation of urban projects on a self-help basis.

Ndugu Suleiman said in order to ensure that the people were provided with proper and adequate housing units, his Ministry was in the process of forming two corporations, one for housing and the other for construction.

The two corporations, he said, would be entrusted with the task of planning, managing and developing housing estates to help meet housing demand on the Isles.

Other tasks to be handled by the two corporations, he said, would, apart from building houses for renting and selling, revolve around completion of construction of the unfinished buildings both in urban and rural areas.

He further said the Government was also intending to establish a housing finance institution with the aim of providing loans for the people intending to build houses on the Isles.

The establishment of the finance institution, he said, would help in encouraging the people to build their own houses, hence complement the government's efforts in this sector.

Ndugu Suleiman said the Government had been allocating funds in its annual plans for rehabilitating old buildings situated in the historic Stone Town.

However, on a long term plan, his Ministry--with the assistance of the United Nations Centre for Human Settlements (HABITAT)--had commissioned a study for integrated development of Stone Town, he said.

A number of donor countries and international agencies had shown interest in the development programme, he added.

Ndugu Suleiman cited the countries and international organisations as the Federal Republic of Germany (FRG) and Britain, USAID, the British Council, the Norwegian Development Agency (NORAD) and the International Finance Company (IFC) which is part of the World Bank group.

He noted that although the Isles were endowed with numerous traditional building materials such as coral stone, red earth, lime and sand, only 30 per cent of these materials was being used in the construction industry.

He said research had been instituted on the use of local materials with the objective of lessening dependency on imported materials.

CSO: 3400/593

TANZANIA

CURRENT FLOW OF WATER INTO DAR ES SALAAM NOW NORMAL

Dar es Salaam DAILY NEWS in English 20 Jan 84 p 1

[Article by Musa Lupatu]

[Text] Water began flowing in again on Wednesday night after completion of cleaning work in one of the treatment tanks at the Lower Ruvu water intake, closed a week ago due to accumulation of mud.

The Deputy Minister for Water and Energy, Ndugu Edgar Mackola-Majogo, said in the city yesterday that the cleaning exercise was completed on Wednesday morning.

He said according to a radio-call to Lower Ruvu, water pumping began on Wednesday at 10 a.m. He said water was being pumped at a rate of 2,120 litres per second, compared to 1,000 litres per second during the period when the city was experiencing a shortage.

Water began flowing into people's homes on Wednesday night, and many woke up yesterday morning to find the much awaited liquid in abundance.

According to the Deputy Minister, the current rate of inflow is normal, and pressure would be built within no time. Under normal circumstances, the Lower Ruvu plant pumps 40 million gallons of water per day.

Officials of the Dar es Salaam Water Corporation Sole said yesterday that they were doing a survey around the city with a view to identify any isolated areas that could still be facing lower pressures, or those which were not getting water at all.

The clarifier was closed last Wednesday for cleaning following accumulation of almost six metres of mud in the treatment tank that measures seven metres high.

Officials of the Corporation told the Deputy Minister on Saturday during a visit at the plant that mud had accumulated as a result of the recent heavy rains, raising turbidity in the Ruvu River from the normal 50 to 60 units to 700 units.

It was revealed during talks, however, that the clarifier had not been cleaned for the past one year, apparently due to administrative hurdles. The Deputy Minister directed the Corporation to immediately clean the second clarifier after completing work on the first one, saying it was likely it had also been clogged with mud.

Ndugu Maokola-Majogo said yesterday the Corporation would have to check the rate of sedimentation in the second clarifier. He reiterated his directive that it had to be cleaned, adding, however, that this should be after the University Hill water reservoirs had been filled. The two water tanks at the Hill can store 10 million gallons of water.

Further, the Deputy Minister said the cleaning work should be done on weekends, and that the public should be informed. He said efforts must be taken to ensure that the work was done faster than was the case this time. He stressed that nobody should be inconvenienced during the cleaning.

Actual cleaning of the clarifier last week began on Saturday.

Apart from the people in affected areas having had to go with little or no water and, therefore, forced to fetch water from wells and other water holes, the shortage had also affected a number of factories, some of which have reported losses.

CSO: 3400/593

TPC FACING 'ACUTE PROBLEM' CONCERNING SUGAR STORAGE

Dar es Salaam DAILY NEWS in English 18 Jan 84 p 3

[Text] The Tanganyika Planting Company (TPC) sugar factory at Arusha Chini is facing an acute problem of storage for some 10,000 tonnes of sugar which is threatened to be destroyed by the rains, SHIHATA reported yesterday.

The Executive Chairman of TPC, Ndugu Peter Kisumo, said the pile-up of sugar at the factory was caused by lack of transport facilities by the Tanzania Railways Corporation (TRC) and the Sugar Development Corporation (SUDECO).

He warned that "if the situation continues for another two weeks, the factory will be forced to stop production of sugar well before closure time".

The factory closes for two months--April and May--for maintenance purposes, Ndugu Kisumo said.

He said last year TRC failed to supply required five wagons a day to ferry 36 tonnes of the commodity. The TRC godown at Moshi has a capacity to store only 6,500 tonnes.

He said more than 2,500 tonnes of the commodity have been stored in the plant's workshop and some offices.

Ndugu Kisumo attributed the pile-up of sugar to SUDECO for not giving clear a directive on the distribution of the sugar.

He said it was clear that the pile-up had caused some regions to miss their quotas for several months.

He also blamed SUDECO's system whereby factories were not allowed to sell the commodity without SUDECO's permission.

Production of sugar at the TPC estate since 1980 when it came under public ownership has been as follows: 1980/81--43,000 tonnes, 1981/82--44,000 tonnes; 1982/83--36,000 tonnes, while this season the company expected to produce between 40,000 and 45,000 tonnes.

CSO: 3400/593

TANZANIA

INDIA, NATION AGREE TO ESTABLISH SALT PURIFICATION PLANT

Dar es Salaam DAILY NEWS in English 16 Jan 84 p 1

[Text] India and Tanzania have agreed in principle to establish a fine salt purification plant to be located near Dar es Salaam and training of Tanzanians in India in mineral sciences.

This was revealed yesterday by the Minister of Minerals, Ndugu Paul Bomani, on arrival at the Dar es Salaam International Airport from a two-week tour of India.

Addressing the press, Ndugu Bomani said there was need for Tanzania to establish a fine salt plant, particularly for hotel use. The Ministry of Minerals is considering erecting it somewhere near Dar es Salaam for easy transportation.

Tanzania will be required to submit its detailed specifications before the plant could be erected.

Ndugu Bomani said the Indian government had also agreed in principle to accept Tanzanian students to study varied mineral sciences at Indian institutions. The Ministry envisages sending a number of students to study mining engineering, geology and mineral dressing.

The two countries also agreed to co-operate in the mineral exploration, mine construction, especially on gold, diamonds and coal.

Ndugu Bomani, who was accompanied by his ministry's economist, Ndugu David Jairo, and the Chief Chemical Engineer, Ndugu Hashim Kihwelo, toured several gold and diamond mines and mines technical schools.

The Minister said India was considering buying diamonds directly from Tanzania instead of buying them through European dealers.

CSO: 3400/593

TANZANIA

BRIEFS

SWEDISH PORT MODERNIZATION PROGRAM--Sweden will finance a modernisation programme of the Dar es Salaam Port and improvement of the Tanzania-Zambia Railway Authority (TAZARA), an economist with the Swedish Embassy in Dar es Salaam Ndugu Leif Hindersson, said in the city yesterday. The projects were studied by the World Bank and incorporated in the Southern African Development Coordination Conference (SADCC). Sweden has so far financed SADCC projects to the tune of 330m/-. [Text] [Dar es Salaam DAILY NEWS in English 18 Jan 84 p 1]

FRG MAIZE DONATION--The Federal Republic of Germany FRG has donated 6,000 tonnes of maize to help areas affected by drought in the country. A statement issued by the FRG Embassy in Dar es Salaam yesterday said that the consignment, which arrived on board mv Porto Coroni late last year, was, however, still awaiting distribution to the affected areas by the National Milling Corporation (NMC). [Text] [Dar es Salaam DAILY NEWS in English 18 Jan 84 p 1]

DPRK FINANCED AGRICULTURAL INSTITUTE--President Nyerere yesterday laid a foundation stone for the Dakawa Agricultural Research Institute, about 40 kilometres from Morogoro town. The institute, expected to cost 51m/-, is being built with the assistance of the Democratic People's Republic of Korea (DPRK), which has donated 12m/- and provided supervisors for the construction. Welcoming the President to lay the foundation stone, the Minister for Agriculture, Professor John Machunda, said the institute was a result of the talks between DPRK and Tanzania held during the Non-Alignment conference for agriculture ministers of August, 1981, at Pyongyang, Korea. He said the institute, expected to be completed in 1986, would help liberate a small scale farmer by providing him with good seeds, proper farming knowledge and tools. The institute will conduct researches for obtaining appropriate seeds for the Tanzanian climate, better farming methods, irrigation, proper land usage, and a study into plant diseases. [Excerpt] [Dar es Salaam SUNDAY NEWS in English 15 Jan 84 p 1]

BRIDGE ON MARA RIVER--Tanzania's biggest bridge which is being built at Kirumi across the Mara River between Musoma and Tarime is expected to be completed in June, this year. An official of the Ministry of Works told the DAILY NEWS in Dar es Salaam yesterday that "construction was progressing on well and the bridge will certainly be used mid-this year." The bridge is

200 metres long. The official said the bridge whose first phase began in 1976 was initially estimated to cost 16m/-. He said the cost had since then risen to 90m/- due to frequent increases of prices charged on building materials. According to the official, the bridge, jointly financed by the Tanzanian and Italian governments would facilitate movement of people and agricultural crops in the Lake regions as it would replace a motor-powered ferry whose capacity was very low. [Excerpt] [Dar es Salaam DAILY NEWS in English 17 Jan 84 p 3]

UGANDAN MEMORANDUM OF UNDERSTANDING--Kampala, Monday. Uganda and Tanzania have signed a memorandum of understanding under which Tanzania is to pay compensation to its neighbour as agreed to Arusha last November during the tripartite summit on the distribution of assets and liabilities of the defunct East African Community (EAC). The memorandum was signed by Tanzania's Deputy Finance Minister, Ndugu Stephen Kibona, and Uganda's Regional Co-operation Minister, Ndugu Sam Tewungwa, at the end of three days of consultations between the two sides. Details of the memorandum were not revealed immediately. Officials said consultations were continuing. [By Peter Masebu] [Excerpt] [Dar es Salaam DAILY NEWS in English 17 Jan 84 p 1]

BEAN SHORTAGE IN IRINGA--The price of beans at Iringa town's main market has gone up from 8/50 a kilo to 40/-, making it cost higher than meat and dried fish. The hawkers admit that the price increases are too high but they claim that they buy one bag of beans from farmers at Dabaga for up to 4,000/- instead of about 1,000/- during harvest time. According to an official of the National Milling Corporation (NMC) in Iringa town there is an acute shortage of beans said to have been caused by racketeers who smuggle beans and other crops to other regions and neighbouring countries. He said that at the moment the NMC has no beans at all and wondered how institutions such as schools and colleges, which depend on beans would cope with the situation. [Text] [Dar es Salaam DAILY NEWS in English 18 Jan 84 p 3]

CSO: 3400/593

COMMERCIAL FARMERS CONCERNED ABOUT REPAYMENT OF U.S. DOLLAR LOANS

Lusaka TIMES OF ZAMBIA in English 18 Jan 84 p 2

[Text]

THE Commercial Farmers Bureau has expressed deep concern over repayment of American dollar loans given by the Development Bank of Zambia whose principal has risen by more than 50 per cent after last year's devaluation of the Kwacha.

In the latest issue of **Productive Farming**, the organisation feels that the Bank of Zambia should assume a fair share of the loan increases attributed to devaluation or else farmers will have no option but to declare bankruptcy to the detriment of agricultural production.

"With the continued daily rise of the American dollar, repayment of the dollar loans given by the Development Bank of Zambia is now virtually impossible for farmers, after the first devaluation we appealed for rescheduling. But with the principal having risen by 50 per cent in the past year and interest soaring, the farmer's plight is so hopeless, that strong action is required."

The publication has taken Zambian commercial banks to task for not offering long term agricultural loans saying the attitude was a real constraint to Zambia's development.

Long term loans were crucial to agricultural development but although it took more than ten years for citrus orchards to come into full

production, no Zambian bank was at the moment offering long term loans.

"Many irrigation schemes require 15 years to amortize the development costs but commercial banks do not like lending money for more than five years. This is now a real constraint to our development."

Commenting on the new Zambia Agricultural Development Bank which seeks to replace the activities of the Agricultural Finance Company and the Cattle Finance Corporation, the bureau advises the institution to complement the aims of the two bodies.

"The bank would be better advised to confine itself to one or two aspects of agricultural finance and endeavour to complement AFC rather than replace it."

It notes that despite last year's drought which was the worst in 40 years, Zambia harvested record yields in various crops, among them 80,000 bags of rice, 600,000 bags of sunflower, 32 million kilos of cotton and 75,000 bags of soya beans.

But the organisation advises the Government to announce new producer prices early to encourage farmers to plant heavily.

CSO: 3400/590

LUANO, LUANGWA VALLEYS REPORTEDLY 'FAMINE STRICKEN'

Lusaka TIMES OF ZAMBIA in English 19 Jan 84 p 5

[Text]

SOME villagers including civil servants are fleeing the Luano valley in Mkushi district because of lack of food, it was learnt in Kabwe yesterday.

Chimikā Primary School headmaster Mr Peter Mulando said a number of teachers at his school were threatening to leave if authorities did not send food supplies to the area as soon as possible.

"Already, many villagers and some civil servants, especially those in lower categories have fled the area because they can't stand starvation anymore," he said.

Mr Mulando who was in Kabwe to buy mealie meal, expressed disappointment at the failure by authorities to send enough food supplies to the starving villagers.

"The Party and its Government has not done enough to salvage us. People are suffering there I tell you.

But Mr Mukelebai could not say how many vehicles had been hired and how much food the vehicles had delivered, referring such inquiries to Mkushi district council where its executive secretary Mr Harrison Machangani could not be reached for comment.

Meanwhile, Northern Province Member of the Central Committee Mr Joseph Mutale spent yesterday supervising the airlifting of the second consignment of mealie meal to the famine stricken area of Chief Nabwalya in the Luangwa valley, reports ZIS.

He flew by Zambia Air Force helicopter to the area accompanied by Mpika district governor Mr Ndembela Daka and called on Chief Nabwalya at his palace.

Mr Mutale told the chief that constant airlifting of famine relief food would not solve the problem in his area unless all people through village headmen and Party officials were mobilised to engage into full-scale farming of sor-

ghum which is the main staple food in the area.

In reply, Chief Nabwalya said his people's efforts to grow more food were being hampered by insufficient rainfall and wild animals which fed in their fields.

CSO: 3400/590

NATION RECEIVES LATEST IMF DRAWING OF SIXTY-SEVEN MILLION SDR'S

Lusaka TIMES OF ZAMBIA in English 20 Jan 84 p 1

[Excerpt] Zambia has received her latest International Monetary Fund (IMF) drawing of 67 million Special Drawing Rights (SDRs), Bank of Zambia governor Mr Bitweli Kuwani announced yesterday.

The posting of an IMF representative at the Bank of Zambia had proved beneficial to the country because the IMF was now able to see first hand the difficulties being encountered in rehabilitating the economy.

Mr Kuwani said Zambia was supposed to obtain the latest drawing in December but this was delayed by some procedural matters.

The country had met all the IMF requirements and there were no hitches in receiving the latest drawing.

Zambia had met on time the IMF pipeline reduction levels set for October and December last year.

"The presence of a permanent IMF man at the central bank has worked to Zambia's advantage because he now knows the country's determination to honour her obligations.

Dreaded

"The man they sent us had been on previous IMF missions to Zambia. Already one can see through the change in his language because he is now able to better appreciate our problems because he is on the spot."

Some countries dreaded IMF representatives on their staff but since Zambia had nothing to hide she had no such fears.

Mr Kuwani said the Ministry of Commerce and Industry will next week arrange an export promotions meeting.

The Government had discussed with the World Bank the possibility of obtaining a K40 million loan which Zambia would re-lend to export-oriented companies on a revolving basis.

The idea is to bolster the export capability of such companies to increase their contribution to the foreign exchange reserves.

The central bank would give export-oriented small-scale enterprises every assistance and concessions to encourage them to grow.

CSO: 3400/594

PRICE INCREASES REPORTEDLY GETTING OUT OF HAND

Price Inspectors Employment Urged

Lusaka DAILY MAIL in English 18 Jan 84 p 1

[Excerpt] Minister of Commerce and Industry, Mr Leonard Subulwa, yesterday called on district councils to employ price inspectors in markets in order to halt overcharging.

He said the rocketing of prices particularly on the Copperbelt was getting out of hand despite the availability of tools, legal backing and human resources to bring it under control.

Mr Subulwa made the call in Ndola when he addressed a meeting of district governors, executive secretaries, price inspectors and commercial secretaries from all over the province. The meeting was chaired by the Provincial Political Secretary, Mr Pickson Chitambala.

He took a swipe at district councils for sitting idle while consumers were being exploited by black marketeers and called for an end to the trend.

"The councils have the legal backing to control prices and can determine the maximum prices which should be charged in their markets," he said.

He said once appointed, price inspectors in markets will be empowered to flush out price cheats.

He castigated some district council commercial secretaries for being paid for nothing as they did not endeavour to study the legal provisions of the Price Control Regulations with a view to enforcing them.

"We must enforce the law and ruthlessly root out exploiters who are few in number."

He said it was shameful that district councils had lost the control of their markets as they let outside forces do what they liked with impunity.

He called for the stabilisation of beer prices which some bar owners had hiked because of alleged high transport costs.

"Even parastatal companies must not be allowed to overcharge under this guise. They should be controlled and told to adhere to the Price Control Regulations," he said.

Those who would continue to flout the regulations should not have their trading licences renewed.

Those who would appeal to the Minister's office for being denied licences would not receive any sympathy.

Mr Subulwa further explained that the Party and its government decided to decontrol the prices of goods to help manufacturers and producers to operate profitably and not for retailers to take advantage by overcharging.

Measures to control the prices of building material were also being worked out and would be announced soon. Material prices were unrealistically high, he said.

He also castigated butchers for the high price of beef when the country had a lot of beef on the market.

Mr Subulwa also took a swipe at councils for their failure to submit names of candidates to train as extension workers in readiness for the establishment of small scale industries in peri-urban areas.

"Councils have also failed to register themselves as exporters. This was despite the fact that advisory centres which would pave the way for small-scale industries were underway," he said.

#### Central Committee To Review Prices

Lusaka DAILY MAIL in English 19 Jan 83 p 1

[Excerpt] The Central Committee will soon meet to review prices of food-stuffs and other essential commodities in order to curb rampant overcharging, President Kaunda said in Lusaka yesterday.

He said this in the office of Lusaka Province member of the Central Committee, Mr Fines Bulawayo, shortly before embarking on a tour of markets, State shops and private retail shops in the city to appraise himself on the pricing system of essential commodities.

However, Dr Kaunda stated that his aim was not to prosecute the marketeers or retailers. "Instead of condemning, I have come to learn. I want first hand information about the trade because it plays an important part in our lives."

He said the Central Committee will soon meet to discuss the issue with a view of regulating the prices so that every Zambian can afford to buy food at the markets.

Dr Kaunda said the Party and its government wanted to approach the matter scientifically. An analysis of supply and demand will be carried out and new prices worked out.

ZAMBIA

GOVERNMENT SHOULD REPORTEDLY SET UP STRONG PRICE MONITORING SYSTEM

Lusaka DAILY MAIL in English 23 Jan 84 p 1

[Excerpt] The Government should set up a strong monitoring system to check the pricing of various commodities by traders, ZIMCO Director General, Mr James Mapoma has said.

Speaking in Livingstone at the weekend after touring various industries under ZIMCO, Mr Mapoma said the escalating prices had hit the common man below the belt.

He said the government was free to examine the situation and price inspectors still had powers to ask traders whether the prices they were charging were justified.

He said there was no doubt that the majority of traders had taken advantage of the decontrol of prices as a result the situation was now getting out of control. [as published]

"As President Kaunda has often said, it is time that there was some morality in business because satisfactory service at reasonable prices should override greed and exploitation," he said.

He also said ZIMCO was presently under pressure to increase the number of state shops in various parts of the country but the organisation was inhibited by lack of funds.

"In terms of commodity prices, ours are very competitive, if not the lowest anywhere and this is why we are on a campaign to encourage people to patronise our shops," he said.

CSO: 3400/594

FIFTY SIDO OFFICERS TO TAKE INDIAN-FINANCED TRAINING IN INDIA

Lusaka DAILY MAIL in English 19 Jan 84 p 3

[Excerpt] Fifty Small Industries Development Organisation (SIDO) officers will this year leave for India to do courses in the promotion and management of small industries.

SIDO director, Dr Chiselebwe Ng'andwe said in Lusaka yesterday that the Indian government through its Small Industries Organisation will cover all training expenses.

Dr Ng'andwe pointed out that the experience the officers will get will help SIDO to evaluate and promote project ideas. Existing small industries will also benefit.

He conceded that although SIDO has employed professional personnel with good qualifications from recognised institutions, "most of them lack practical experience."

"The scholarships offered by the Indian government will help us enable our members of staff to acquire practical experience which is a handicap to most of them," Dr Ng'andwe said.

He added that SIDO has welcomed the chance to have its staff trained in the practical aspects of small industry management and promotion.

While in India, the officers will be exposed to "real situations of the small industries in a country where successful results have been obtained," the director said.

The training expenses on tuition, domestic and boarding will cost K250,000 for the 50 officers who will leave in small groups during the course of the year.

CSO: 5400/71

ZCCM NACHANGA MANAGER BRIEFS MASS MEDIA CHIEFS

Lusaka DAILY MAIL in English 19 Jan 84 p 5

[Text] The Zambia Consolidated Copper Mines (ZCCM) spends K16 million every year on training of its personnel locally and abroad in a continued effort to staff the mining industry with skilled personnel.

This was disclosed by Nchanga Division general manager, Mr John Hoatson when he met heads of the mass media who are on a three-day familiarisation tour of Nchanga, Mufulira and Nkana divisions of the ZCCM.

On the tour are ZAMBIA DAILY MAIL Editor-in-Chief, Mr Komani Kachinga, TIMES OF ZAMBIA acting Editor-in-Chief, Mr Namushi Nyambi, acting director-general of the Zambia Broadcasting Services, Rev Rodger Ngo'bme, Editor-in-Chief of the Zambia News Agency, Mr Humphrey Maunga and director of the Zambia Information Services, Mr Daniel Kapaya.

Welcoming the officials, Mr Hoatson informed them that this division had immense problems which were affecting the smooth running of operation on the mine, especially in the engineering field where it lacked personnel in the artisan field.

Mr Hoatson said that lack of foreign exchange had also created problems in that machines worth millions of Kwacha were lying idle as no spare parts could be brought in.

"This is extremely worrying," Mr Hoatson said.

He said of the 112 trucks at the open pit, only 40 were in use at the moment, the rest were idle, "because of lack of spare parts."

Answering questions from the officials, Mr Hoatson said that for any mine to operate smoothly and efficiently, it required modern technology.

"This is the reason why we have kept our ties close to the American markets for advanced technology because that country also operates large mines," he explained.

On the trolley assist, the general manager informed the heads of the mass media that when the programme started in conjunction with General Electrics of the United States, there were several teething problems. [as published]

"I am, however, happy to report that we have been able to convert 15 trucks, but until we get the other 18 to bring the total to 33, we will not get the full benefits of the trolley assist," he said.

The savings from the new system of moving the ore from the open pit in terms of foreign exchange will be substantial, he added.

The division will save on the use of diesel considerably through the trolley assist programme considering the fact that K85,400 per day is spent on buying 140,000 litres of fuel.

On the tailings leach plant, the general manager said Zambia would have spent K1.8 billion to start a new mine that would produce 35,000 tonnes of copper.

"But the wonders of technology here, we shall be able to produce through the tailings leach plant 35,000 tonnes of copper at a cost of over K250 million. "This is good economics and it makes sense," he said.

The general manager stated that to sustain operations at meaningful levels, the division requires K4 million a month in foreign exchange, "to enable us bring in the much needed spare parts and other vital components".

He disclosed that the mining industry has been assured of an increased foreign exchange allocation that alone, will only help to alleviate the problems," said Mr Hoatson. [as published]

On cobalt, Mr Hoatson said the division's priority number one now was to safeguard "our copper".

"The cobalt market has been depressed for some time now. We have enough cobalt stockpiled to meet the market demands for the next two years," he said.

CSO: 5400/71

NEW MANAGEMENT CONTROL METHODS FOR PARASTATALS BEING WORKED OUT

Lusaka TIMES OF ZAMBIA in English 16 Jan 84 p 1

[Text] The Party is working out new methods of management-control in parastatal organisations and this is why President Kaunda has not renewed contracts of heads of parastatals.

The new measures are intended to boost efficiency and accountability and make it possible for workers to keep track of the activities of management.

Dr Kaunda said only those general managers and managing directors who accepted the new system would have their contracts renewed.

"Pilfering, indiscipline and carelessness in parastatal organisations has considerably added to the rise in the cost of living in the country."

The new system of management control, would enable works councils and unionists to counter-balance the performance of management.

The President said some goods achieved high production costs through management inefficiency while others had added to their cost the prices of vehicles wrecked by careless managers.

The Party was not antimanagement but would like to see managers work with works council, Party committees and trade unions to serve the Zambian public.

The Party would like to be in a position to determine how the cost of products was arrived at.

"We will only accept costs going up if the industry depends on raw materials which are imported but even then we must be convinced that the raw materials were imported from the cheapest source."

The cost of production in any parastatal could easily go up if the management was careless or pilfering was rife among its workers.

In the end consumers would be required to bear the burden of increased production costs through high commodity prices.

In the past there were cases of managers getting commissions for purchases made for a company and if the goods were not from the cheapest source the consumer had to pay the difference.

Under the new arrangement the party would like to constantly monitor the situation.

"This is why I said I won't renew any contracts of the heads of parastatals until about June. We want to establish a new method of management control," he said.

COS: 3400/594

ZUSO DEMANDS ALLOWANCE INCREASES, IMPROVED CONDITIONS

Lusaka TIMES OF ZAMBIA in English 23 Jan 84 p 1

[Text] The students-Government relations took a new turn yesterday when the Zambia Union of Students Organisation (ZUSO) demanded an increase in allowances and improved conditions.

The demand comes in the wake of the Government's decision to reverse an earlier decision to abolish student allowances.

After a three-day meeting of students' unions organisation in Lusaka it was resolved that the new ZUSO executive committee seek an audience with the Ministry of Higher Education to discuss increased allowances.

They also want the Government to scrap the system of paying students on a daily basis.

"We want to be paid a lump sum," newly elected ZUSO secretary-general Mr Given Lubinda said yesterday.

All students despite their length and levels of learning should have uniform allowances, one of the resolutions said.

Mr Lubinda said the ZUSO wants the Government to abolish the rule of expelling expectant students. "We shall give reasons to the ministry why we want this rule to be scrapped," Mr Lubinda said.

The executive would meet the Ministry of Agriculture and Water Development with a view to requesting it to provide them with protective clothing and insurance for students.

They want an improvement in social amenities and bedding facilities in all institutions of higher learning.

The ZUSO executive committee would like to see officials from the Department of Technical Education and Vocational Training to look into the standard of education in all the department's institutions.

Mr Azwell Banda of the University of Zambia was elected chairman-general of ZUSO. The meeting started on Friday till yesterday.

CSO: 3400/594

ZAMBIA

ZAMBIA, BULGARIA PLEDGE TO IMPLEMENT ALL SIGNED AGREEMENTS

Lusaka SUNDAY TIMES in English 22 Jan 84 p 1

[Text] Zambia and Bulgaria have pledged to implement all the agreements signed between them in the various fields of human endeavour.

The pledge was made yesterday by Party Secretary-General Mulemba and leader of the visiting Bulgarian party delegation Mr Angel Bobovic when they met during a courtesy call at Freedom House in Lusaka.

Mr Mulemba said time had come when the two countries should not only hold discussions and sign agreements, but take practical steps to implement whatever they agreed on.

The Party chief, who was flanked by Chairman of the Political and Legal Sub-Committee of the Central Committee, Mr Daniel Lisulo and Chairman of the Rural Development Sub-Committee Mr Reuben Kamanga, described the relations between Bulgaria and Zambia as excellent.

He noted that Bulgaria had positively responded to Zambia's requests for assistance in various fields.

Mr Mulemba said there were also many students from Zambia who were currently studying in Bulgaria in various technical and agricultural fields.

"These students are expected to play a vital role in the development of this country when they return."

CSO: 3400/594

## SOME FOREIGN AIRLINES IN LUSAKA CLOSING BECAUSE OF POOR BUSINESS

Lusaka TIMES OF ZAMBIA in English 17 Jan 84 p 2

[Text] **SOME** foreign airlines operating in Lusaka are closing down their offices because of poor business caused by their persistent blocked earnings and travel allowance restrictions.

Air Malawi, which until last December operated three flights a week now has one flight and will shut down its Zambian office at the end of February.

And KLM, Royal Dutch Airline which did not secure a flight permit to Zambia for its 233-passenger Douglas DC-8 has phased out its Lusaka sales office staff.

KLM's regional manager for Zambia, Mr Robert Kraai has moved his regional office to

Harare, Zimbabwe from where the airline operates instead.

The grim future of the foreign airlines in Zambia prompted a crucial meeting recently between Bank of Zambia general manager, Mr Michael Mwape and the Board of Airlines Representatives in Zambia (BAR).

Yesterday BAR chairman Mr Alex Harrison said foreign airlines had about K20 million blocked by the central bank which had greatly contributed to poor traffic loads.

"KLM has reduced its staff because the airline is operating from Harare. Very sad to note that by the time we are issuing this statement, one of our member airlines, Air Malawi, is busy preparing to close the offices, meaning our brothers and sisters will be out of job for no fault of their own," Mr Harrison said.

In his statement, Mr Harrison whose organisation re-

presents 12 foreign airlines said the meeting with Mr Mwape followed complaints about continued problems of remitting funds to airlines headquarters abroad.

Apart from the problem of funds in the pipeline the meeting looked at the alleged discriminatory practices by the central bank in approving air travel application forms and the decline in passenger carrying by most foreign airlines.

Mr Harrison said BAR was informed of the central bank's willingness to clear the pipeline on a "current basis" status in appreciating the cash flow problems at airlines' head offices.

He said this attitude by the Bank of Zambia was highly commendable. To assist the bank in arriving at a final decision on the pipeline money, airlines were requested to furnish it with amounts held between January 6, to December 31, 1983.

CSO: 3400/590

ZAMBIA

INDIA TO AID NATION IN SETTING UP RAW MATERIALS PROCESSING UNITS

Lusaka TIMES OF ZAMBIA in English 17 Jan 84 p 2

[Text] The Indian government is anxious to assist Zambia set up units for processing raw materials like copper into finished goods which will earn foreign exchange on international markets.

Visiting chairman of India's National Small Scale Industries corporation Mr Joginder Junela said this in Lusaka yesterday at a Press conference.

"There is a great need to achieve self-reliance by processing products like copper into finished goods to earn foreign exchange. The price of finished goods has been rising at a steeper rate on international markets compared to raw materials," he said.

Mr Junela said the Indian government was ready to offer assistance to Zambia in form of product identification, feasibility studies and supply of machinery and equipment under a K2 million line of credit agreement signed in 1981.

India was helping about 30 small scale projects in Zambia and Mr Junela said his country wished to offer more training facilities to Zambians to improve management of small scale industries.

"In addition to the 30 projects in which we are involved, there is a possibility of giving more help under the Southern Africa Development Coordination Conference (SADCC)," Mr Junela said.

Noting that 26 per cent of India's export goods last year were made by small scale industries Mr Junela said this was a clear manifestation that such industries could produce quality goods contrary to feelings of most people that such products were of poor quality.

He recalled that his government had offered Zambia about 50 places for training under the K2 million credit line and "depending on Zambia's needs additional facilities could be offered."

Mr Junela praised SIDO for making tremendous steps to boost small scale industries since it was established in 1982 and observed that during discussion with SIDO officials who included director Dr Chiselebwe Ng'andwe, they expressed desire to set up industries in all corners of Zambia.

Dr Ng'andwe said his organisation was soon expecting oil extracting machines and equipment for rice milling under the credit line signed in 1981 which had remained unused because SIDO was not operational then.

Mr Junela said Zambia Consolidated Copper Mines (ZCCM) chairman Mr Francis Kaunda would next month visit India to look into the possibility of how various components and machinery could be made locally to save foreign exchange in the mining industry.

CSO: 3400/590

MAPOMA SAYS ZIMCO ADVISED STATE TO WAIVE IMPORT DUTY ON COOKING OIL

Lusaka SUNDAY TIMES in English 22 Jan 84 p 1

[Excerpt] Zimco had warned the Government to waive 25 per cent import duty slapped in last year's budget on imported cooking oil, director general Mr James Mapoma said in Livingstone yesterday.

He was answering questions at a Press conference on escalating prices of imported cooking oil.

Zimco had told the Government that if the duty was not removed on the imported cooking oil the price would automatically go up.

This was not heeded resulting in the price of Somol brand costing K23.70 instead of K9.85.

The increasing of the price by the manufacturers also contributed to the high cost of this imported cooking oil, said Mr Mapoma.

Previously the Government had removed import duty on imported cooking oil, but during the last budget it decided to slap the 25 per cent duty on the commodity.

Zimco tried to persuade the Government to reduce the duty from 25 per cent to ten per cent but this was rejected.

ROP had held back any increase in the price of its oil for more than one year since 1982, but now the price has been increased.

The company has the capacity to produce sufficient cooking oil to meet the country's demand. But there are not enough raw materials and most of them are imported.

Zambia only produced enough to last a month. He emphasised the need for the country to grow more oil seeds to conserve foreign exchange now spent on importing cooking oil.

Zimco would go into production of the oil seeds soon.

On the decontrol of prices, he said for the Government to rescind the decision would be retrospective.

CSO: 3400/594

ZAMBIA

METAL CONTENT OF NATION'S COPPER REPORTEDLY DROPPING

Lusaka SUNDAY TIMES in English 22 Jan 84 p 1

[Excerpt] The metal content of Zambia's copper is dropping, a geologist consultant with Zambia Consolidated Copper Mines (ZCCM) has said.

In a paper presented to the Namboard corporate planning seminar held at the President's Citizenship College last week, Mr P. V. Kreemdin said the country's copper would continue to have decreasing grades with time "as we go deeper".

He said from March last year, the average grade of copper ore treated was 2.82 per cent copper. But during the next 17 years, the grade would average 2.16 per cent copper.

"Also many of the mines will have been exhausted by the turn of the century and although there will still be mineralised materials left in the ground at some of the mines stock-piled at surface or in other deposits on the Copperbelt, they will become increasingly difficult and more expensive to track or treat.

"We thus foresee a decline in production with time," he said.

Mr Kreemdin, who is in the corporate planning unit of ZCCM, said the implications of this for the country's economic, social, political and technical activities were very significant.

"Our corporate planning group is now assessing these implications in depth and appraising alternatives from a multi-disciplinary base," he said.

CSO: 3400/594

ZAMBIA

ZAMBIA, JAPAN SIGN LOAN AGREEMENT FOR FERTILIZER PLANT UPGRADING

Lusaka TIMES OF ZAMBIA in English 21 Jan 84 p 1

[Text] Zambia and Japan yesterday signed a K37 million loan agreement for the rehabilitation of the Nitrogen fertiliser plant project at Kafue.

This brings the amount of loans Japan has given Zambia since 1973 to K230 million.

Signing for Zambia, Finance Minister Mr Luke Mwananshiku said the loan would go a long way in assisting Zambia to diversify her economy.

"Our desire as a country is to diversify as widely as possible so that our economy can rest on a firm basis," he said.

Zambia greatly appreciated the various forms of assistance she has received from Japan and the latest loan was more important because it was for helping the country to feed itself.

Charge d'affaires at the Japanese embassy Mr Yosuke Yoshiaka said his country would like to help Zambia further enhance her agricultural production.

She would like to see Zambia produce enough to be self-sufficient and for export.

The loan was given to Zambia by the Japanese Overseas Economic Cooperation Fund at an interest rate of 3.5 per cent annually.

It will be payable in 20 years after a ten-year grace period.

The disbursement period will be five years, but this may be extended with the consent of the two governments.

Yesterday's loan is the seventh Japanese loan to Zambia since 1973.

Japan has previously assisted in the construction of the existing sulphuric acid plants at Nitrogen Chemicals of Zambia.

Japan has helped in the construction of the Mass Media Complex, road and railway transport expansion and the establishment of a microwave network.

Since 1981 Japan has spent about K50 million in Zambia on the supply of products such as food, agricultural chemicals, fertilisers, agricultural transport and machinery.

CSO: 3400/594

OPTIMISM EXPRESSED CONCERNING COBALT METAL MARKET'S FUTURE

Lusaka TIMES OF ZAMBIA in English 21 Jan 84 p 1

[Text] The future of cobalt is bright with the expected increase in demand for the metal in the aircraft building industry, two divisional general managers of Zambia Consolidated Copper-Mines (ZCCM) have predicted.

Speaking at separate meetings with heads of Zambian mass media yesterday Mr Brian Eastwood and Mr Ian Blair for Nkana and Kalulushi divisions respectively, said they were optimistic about the future of the cobalt metal market.

The assurances came when the mass media heads expressed fears that the cobalt expansion programme embarked upon by ZCCM had been defeated because of the depressed prices the metal was fetching on world markets.

At its peak, five years ago, cobalt fetched K44,000 per tonne as opposed to the current price of K19,000 per tonne.

Mr Eastwood and Mr Blair said the trend in the aircraft building industry offered cobalt a chance to survive.

The aircraft industry appeared to be in the process of replacing present models with new ones. This would entail increased demand for cobalt as it was used in the manufacture of high temperature alloys for jet engines, they said.

Mr Namushi Nyambi, TIMES Newspapers acting Editor-in-Chief, Mr Komani Kachinga, ZAMBIA DAILY MAIL Editor-in-Chief, Reverend Roger Ng'ombe, acting director-general Zambia Broadcasting Services, Mr Daniel Kapaya director Zambia Information Services and Mr Humphrey Maunga Zana Editor-in-Chief were winding up a three-day visit of the mining industry.

On cobalt Mr Eastwood said already there had been firming up of the cobalt price.

"The rise has been little but it offers us good encouragement for the future".

The two ZCCM cobalt producing mines have demonstrated their faith in the metal by working flat out to produce cobalt of the highest standards.

Mr Blair said because of this confidence about the future of cobalt and the economic role it was expected to play, Kalulushi Division had installed a vacuum induction refining furnace which would purify cobalt metal to standards acceptable by the world market.

"The vacuum induction refining furnace is a technological breakthrough which will result in the production of high quality cobalt metal substantially free of impurities like zinc and cadmium," he said.

CSO: 3400/594

MINISTER SAYS NATION HAS ENOUGH MAIZE UNTIL NEXT BUYING SEASON

Lusaka TIMES OF ZAMBIA in English 14 Jan 84 p 1

[Text] Zambia has enough stocks of maize to last until the next buying season, Minister of Works and Supply Mr Haswell Mwale announced in Lusaka yesterday.

He was allaying fears that the country may face a mealie meal shortage as a result of inadequate maize.

He told a news conference at his ministry headquarters: "Rumours circulating in some circles that there is a maize shortage in the country are not true because we have enough stocks to take us up to April this year."

Mr Mwale explained that the recent mealie meal shortage which hit Lusaka was because National Milling Company was not operating during the Christmas and New Year holidays.

"It was not because of a maize shortage," said the minister who was flanked by assistant secretary for Contingency Planning Committee Mr Adrian Chuzu and Namboard general manager Mr George Chabwera.

Namboard was continuing with its distribution of maize to all millers throughout Zambia.

Mr Mwale said Zambia consumed about 650,000 bags of maize monthly.

The minister distributed to newsmen figures from Namboard of how many bags of maize were allocated to each miller throughout the country weekly, monthly and yearly.

Lusaka Province had a total yearly allocation of 2,046,240 bags and the Central Province 929,040.

Yearly allocations for the other provinces were as follows: Eastern Province (272,640), Southern Province (1,087,200), Copperbelt had a grand total of (3,509,040), Northern (298,560), Luapula (233,520), North-Western (268,320) and the Western Province (357,340).

CSO: 3400/594

SWEDISH GOVERNMENT TO AID TAZARA THROUGH SADCC FUNDS

Lusaka DAILY MAIL in English 16 Jan 84 p 7

[Excerpt] The Swedish government has pledged to prop up the Tanzania-Zambia Railways (TAZARA) through funds it will provide to the Southern Africa Development Co-ordination Conference (SADCC) this year.

Swedish embassy senior economist, Dr Klas Bergman said this in Lusaka at the weekend.

Mr Bergman explained that his government does not yet provide direct assistance to the TAZARA like it has been doing to Zambia Railways.

He said that a team of Swedish officials who will attend the forthcoming SADCC donor countries meeting in Lusaka this month will discuss how the money would be spent.

"There is a preliminary figure set aside for improving the TAZARA among the many projects to be funded by our government this year," Mr Bergman said.

Besides the TAZARA, the Swedish team will also probe the possibility of funding other projects in the main sectors of the Zambian economy.

The Swedish delegation comprising officials from the Foreign Ministry and the Swedish International Development Authority (SIDA) will come and present K21 million worth of grants for SADCC projects, Mr Bergman said.

The senior economist pointed out that his government is keen on assisting improvement of SADCC countries' transport infrastructure to strengthen trade relations in the area.

"We feel that by improving transport networks in the SADCC region, the countries would increase trade among themselves and reduce dependence on other countries," Mr Bergman said.

He added that Stockholm through SIDA is currently investigating ways of assisting national railway lines in the sub-region with wagons and locomotive machinery.

CSO: 3400/594

FISHERIES, MARKETEERS UNION PROTESTS 'UNIP PRICES' PROGRAM

Lusaka DAILY MAIL in English 14 Jan 84 p 3

[Text] The Zambia Fisheries and Marketeers Union has objected to the decision by the Party in Lusaka to introduce a new programme of action in which marketeers will be required to charge "UNIP prices" on essential commodities.

The Union national chairman, Mr Henry Kamwambi yesterday said his union feared that if the new prices were implemented, party militants would start harasssing marketeers.

Mr Kamwambi urged the people concerned in working out the new prices to trace the suppliers, as the problem of overpricing was not entirely due to the marketeers.

Marketeers, he said, should not be blamed for rising prices in the markets, and to say those who will not follow the prices will be regarded as anti-Party elements was out of question.

He said UNIP has many agencies in the country and when matters of this nature arise, all the agencies are supposed to be consulted so that a unanimous decision is reached.

It would be disastrous, he said, to send Party militants to harass marketeers because the problem of prices was national.

Mr Kamwambi said the Lusaka Urban district council had of late increased rates paid by marketeers and that despite the increment the markets have not been cleaned to the required standards.

"Why don't they set an example by fixing the rates paid by marketeers?" he asked.

Mr Kamwambi said his union was experiencing problems in acquiring essential commodities from wholesalers and as a result members have resorted to buying from retailers.

He cited an example where union members who try to buy from private whole-salers are forced to buy extra items like biscuits when they ask for cooking oil.

The Union has formed a buying committee which if recognised by the Ministry of Commerce and Industry will be responsible of buying essential commodities for its members.

He said his Union is willing to co-operate with other agencies in wiping out profiteering adding that consultative meetings should in future be used when tackling such pressing matters.

Mr Kamwambi pointed out that marketeers are compelled to sell vegetables and maize at higher prices because they spend a lot in transport costs.

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BRIEFS

RED CROSS RELIEF OPERATION--The Zambia Red Cross Society will distribute 1,350 tonnes of maize to the drought-stricken area of Gwembe Valley. According to Mrs Faith Mwila, Secretary-General of the ZRCS, this relief operation, which has been made possible with the assistance of the League of Red Cross Societies, will start tomorrow and is estimated to last six months. Mrs Mwila said money to buy the maize, transport and other operation costs have been met by the League. She said two relief delegates to assist the Society's staff of five have also been arranged by the League. [Excerpt] [Lusaka DAILY MAIL in English 17 Jan 84 p 1]

'CRITICAL' MEALIE MEAL SHORTAGE--A critical shortage of mealie meal has hit the famine stricken villagers in chief Mapanza's area in Choma, Chief Mapanza has said. The chief, who is also area Member of Parliament, said yesterday that there was a critical shortage of mealie meal in his area and called on the Choma Milling Company to supply the commodity immediately. Chief Mapanza said although the company supplies mealie meal to the area weekly, the supply was not sufficient to cater for other areas in Chiefs Nalubamba, Hamusonde and Muchila in Namwala. He also called on the Cold Storage Board of Zambia to step in and buy hundreds of cattle which were currently lacking buyers. [Text] [Lusaka DAILY MAIL in English 19 Jan 84 p 5]

EXPATRIATE MINERS TO BE PHASED OUT--Twenty expatriate miners will be phased out by the end of March, this year and their positions taken over by 15 Zambians in a continued Zambianisation programme, Nkana Division Manager for Administration, Mr Jonathan Kenani disclosed yesterday. The disclosure came in the wake of repeated complaints by Zambian graduates that the company was de-Zambianising certain posts instead of appointing more Zambians to senior positions. Speaking at the start of a tour of the mines by the Mines Minister Basil Kabwe and Labour and Social Services Minister Frederick Hapunda, the division manager denied allegations of de-Zambianisation. Mr Hapunda said the policy of Zambianisation would be pursued vigorously by the Party and its government, but he cautioned that its implementation should be carefully considered, especially in sensitive industries such as the mines. He told union officials and graduates at Nkana Cinema that a lot of factors were taken into account when promoting Zambians to high positions in the mines. In addition to paper qualifications, people needed to prove their capabilities practically before they could be considered for senior positions, Mr Hapunda stressed. [Excerpt] [Lusaka DAILY MAIL in English 17 Jan 84 p 1]

ZAMBIAN-ZAIRIAN BORDER TALKS--A seven-man Zairean delegation led by Sakania Zone Commissioner, Mr Nabangala Kwaza met here yesterday for talks with their Zambian counterparts to discuss border problems. Area governor, Mr Bonaventure Lubilo, told ZANA after the meeting which was held at the council chamber that the talks were held in a friendly and cordial manner. Mr Lubilo, who led the Zambian delegation at the talks, said the two sides have agreed on a number of issues concerning the problems at the border and their recommendations would be passed to Copperbelt member of the Central Committee, Mr Alex Shapi, and Shaba Province Governor, Mandungu Bula Nyati. He said the meeting has also agreed to release a Zambian truck which was impounded by Zaireans at Kasumbalesa border post on Sunday. Zana [Text] [Lusaka DAILY MAIL in English 17 Jan 84 p 1]

SMUGGLING AT MPULUNGU PORT--Smuggling of essential goods from Zambia to neighbouring countries at Mpulungu port has reached alarming proportions, according to a TIMES OF ZAMBIA investigation during last weekend. The most affected items are mealie meal, sugar, bathing soap and kerosene which are finding their way into Tanzania, Burundi, Rwanda and Zaire where they fetch high prices. Residents said bathing soap fetched K2 per tablet and a number of Zambian businessmen were involved in the racket. They preferred to sell the commodities to foreigners from neighbouring countries who were prepared to pay the high prices. Because of the lucrative profiteering business that is going on in the area, residents are now calling Mpulungu "Switzerland of Zambia". Zambian goods are transported across the lake in boats from neighbouring countries. [Text] [Lusaka TIMES OF ZAMBIA in English 17 Jan 84 p 5]

STRENGTHENING AUDITOR-GENERAL'S OFFICE--The Party and its Government is working out new measures to give more powers to the Auditor-General's Office to deal with rampant reports of misuse of public funds in the government and parastatal organisations, President Kaunda announced yesterday. Addressing Party leaders at Mulungushi Hall, the President said the new measures will enable the Auditor-General's Office to check effectively on expenditures in government and parastatal establishments. The new measures will be geared up to wipe out malpractices and financial mismanagement in government departments, ministries and parastatal organisations. The Auditor-General's Office has repeatedly highlighted the anomalies in parastatal and government establishments which have continually been dogged by fraudulent accounting, scandalous business transactions and malpractices. [Excerpt] [Lusaka DAILY MAIL in English 16 Jan 84 p 1]

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BRIEFS

HARARE WATER SUPPLY THREATENED--HARARE--Severe pollution of a river outside Harare threatens to contaminate the Zimbabwean capital's water supply, according to a Government official. The Chitungwiza sewerage and sewage treatment works has broken down and is in a state of neglect, resulting in massive volumes of raw sewage and industrial effluent being discharged into the Nyatsime River, the official says. The first flushing action of the rains will wash this into Lake McIlwaine, where little or no dilution will take place because of the present low level of the lake. [Text] [Johannesburg THE CITIZEN in English 30 Dec 83 p 15]

SUSPECTED MOZAMBICAN REBELS ARRESTED--MUTARE--Police in the eastern border town of Mutare rounded up large numbers of suspected Mozambique rebels over the New Year period. It is understood that several hundred people had come across the Zimbabwean border in search of food. Sources said that some of those arrested had weapons with them but offered no resistance and are believed to be members of the Mozambique Resistance Movement which is fighting President Samora Machel's government. Zimbabweans unable to produce identity documents were among those held and all have been kept in Mutare for screening. It is understood that many squatters who have been illegally occupying commercial farms in the area were also rounded up. [Text] [Johannesburg THE CITIZEN in English 4 Jan 84 p 13]

EMIGRATION STATISTICS--HARARE--A total of 16 469 people emigrated from Zimbabwe between January and October last year--1 173 more than in the corresponding period during 1982, according to the latest government statistics. Only 6 070 immigrated to Zimbabwe in the same period. Most of the emigrants went to South Africa (7 241), Malawi (3 880) and Britain (2 163). There were 578 who went to Zambia and the rest went to North America, Asia and elsewhere. Of the total immigrants, 1 156 were from Britain, 1 330 from Zambia, 514 from Malawi and 181 from the United States. The rest came from various other parts of the world. Zimbabwe lost 5 926 emigrants who were economically active. Most of them were engaged in architecture, engineering, accounting, teaching, administrative and managerial work, construction, agriculture, electronic work or medical, dental or veterinary work. The number of economically active immigrants in similar fields was 2 452, representing a nett loss of 3 574 economically active people. [Text] [Johannesburg THE CITIZEN in English 12 Jan 84 p 10]

NKOMO REFUTES ACCUSATIONS--PF-ZAPU leader Dr Joshua Nkomo has expressed surprise and indignation at the Prime Minister's association of his name and that of "Super ZAPU" in his New Year message to the nation. "I cannot understand why, after fighting for the independence of this country for 30 years my name should be associated with dissidents and South Africa. I have never had and shall never have any dealings with South Africa," he said. [Text] [Bulawayo THE SUNDAY NEWS in English 1 Jan 84 p 1]

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